



**GREEN
CLIMATE
FUND**

Meeting of the Board
28 June – 1 July 2021
Virtual meeting
Provisional agenda item 5

GCF/B.29/Inf.07

7 June 2021

Report on the activities of the Secretariat

Summary

This report provides an update on the activities of the Secretariat for the period 1 January to 30 April 2021. It summarizes progress against the overarching goals and priorities identified in the Secretariat's 2021 work programme, as well as tracking key performance indicators identified in the work programme results framework.

The report also includes the GCF-1 DAE Action Plan (annex I), a joint GCF-GEF paper on "Long-Term Vision on Complementarity, Coherence, and Collaboration between the Green Climate Fund and the Global Environment Facility" (annex II), a progress report on the implementation of the Secretariat's People Plan (annex III), and the current list of memorandums of understanding signed by the GCF (annex IV).

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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 2021, which was approved by the Board at its twenty-seventh meeting (B.27). It outlines the Secretariat's progress towards the six overarching goals as well as towards the key performance indicators (KPIs) set out in the 2021 Work Programme and its results framework, for the time frame of 1 January to 30 April 2021.
2. The 2021 Work Programme recognizes the need to scale up programming and continue driving quality standards across all funding windows to meet the ambitions of the GCF first replenishment cycle (GCF-1) and deliver real results for developing countries. It also sees a growing need for consolidating portfolio and results management to account for the substantial growth of the portfolio under implementation. The 2021 Work Programme capitalizes on and consolidates concerted efforts in 2020 towards codifying and streamlining internal processes as well as building a stronger institutional culture around core values. It tracks the results of these efforts through a range of new efficiency and effectiveness KPIs.
3. Two additional contextual settings are also key to understanding the positioning of the 2021 Work Programme: first, it was developed while the Secretariat was continuously adjusting its operations and working modalities to respond to the global COVID-19 pandemic; secondly, it was developed prior to the Board's adoption of the Updated Strategic Plan (USP) for 2020–2023. The work programme expands on the Secretariat's efforts in 2020 towards deploying adaptive management techniques, advancing digitalization, and building institutional capacity to rapidly respond to evolving operational circumstances dictated by the Covid-19 pandemic and ensure business continuity. The Secretariat has also taken steps to vertically align its 2021 Work Programme, division and office KPIs, and individual performance plans with the USP following its adoption. This has required some (but not major) recalibration, as most of the 2021 Work Programme priorities were in alignment with the USP. Relevant sections of this report signal which work streams needed recalibration or adjustments.
4. The 2021 Work Programme contains six priorities and related performance metrics:
 - (a) Origination of country-driven, paradigm-shifting investments;
 - (b) Project development and appraisal to build an impactful GCF portfolio;
 - (c) Management of portfolio implementation for results and knowledge;
 - (d) Supporting the Board and helping to advance consolidation of the GCF policy and governance frameworks;
 - (e) Facilitating access and accelerating implementation by improving process efficiency, effectiveness, transparency and speed of delivery; and
 - (f) Fostering a highly collaborative culture and consolidating institutional capacities and oversight.
5. As with all activities carried out over the course of 2020, work carried into 2021 continued to be shaped and influenced by the persisting context of the ongoing COVID-19 pandemic and its effects on the Secretariat and its partners, particularly on developing countries. Nonetheless, the adaptive measures put in place over the course of 2020 have enabled the Secretariat to maintain its operations in a pandemic context, and several of these measures such as greater reliance on telecommuting and digitalized workflows will be further institutionalized in 2021. This is expected to both strengthen staff safety and increase the flexibility of working modalities.

6. The first trimester of 2021 saw a continuation of the positive results achieved in 2020. Most remarkably, the programming and portfolio implementation ambitions under the 2021 Work Programme are on track to be fulfilled, largely due to the process efficiency measures and adaptive management approaches that have been matured and evolved over the course of 2020. The first meeting of the Board in 2021 saw the largest funding approval at a single Board meeting in GCF history, with USD 1.2 billion approved. Today, GCF has the capacity to programme up to USD 1 billion per Board meeting, should the availability of commitment authority allow it.
7. A key challenge will be to ensure a portfolio composition aligned with the 6 key programming targets of the USP over the course of GCF 1. Notably, it will require to substantially increase the number of DAE projects catalysing private finance for adaptation. Adaptation projects account for 18.4% of the DAEs portfolio in volume against 68.2% for mitigation projects. Of the 21 accredited DAEs with approved projects, only 4 are private sector entities. Annex I outlines GCF's action plan to fully leverage the potential of DAEs to achieve the USP and scale up climate action.
8. The upward trend of moving the portfolio towards implementation also continued: at the end of 2020, the portfolio reached 73 per cent under implementation, and this remains the case in 2021 including the large funding approval at the twenty-eighth meeting of the Board (B.28). It is anticipated to reach up to 78 per cent by the end of the year. Disbursements have also picked up, with cumulative disbursements almost reaching the lower end of the 2021 Work Programme target. As at the end of the reporting period the Secretariat is confident it is on track to meet the annual disbursement targets. By end of 2021, the cumulative disbursement is expected to fall in the range of USD 2.2–2.7 billion, which is beyond the targeted range of USD 1.8–2.1 billion set out in the 2021 Work Programme.
9. However, a growing number of projects are seeking support for adaptive management measures to adjust to the Covid-19 pandemic, most notably due to changes in the availability of co-financing. Notably, private sector projects are requesting a range of adjustments to project structuring to adapt to the fluid nature of available financial flows.
10. Positive shifts have also been noticed under the Readiness and Preparatory Support Programme (the Readiness Programme). The first trimester has seen a growing number of multi-year proposals, significantly more requests for designing climate-resilient recovery strategies and a trend towards using adaptation planning resources in a more sequenced manner rather than accessing the full USD 3 million through a single adaptation planning proposal.
11. In terms of the GCF policy agenda, limited progress was made on concluding policy items in 2020 and many items were deferred to 2021. The Secretariat has continued working on all policy drafts under the 2020–2023 Board Work Plan, for consideration by the Board, Co-Chairs, or committees. A range of consultation modalities were also piloted before and after B.28. These included written reviews, informal sessions, and numerous bilateral engagements with Board members. These have proven highly instrumental in facilitating the Board's conclusion of several policy mandates at B.28 and afterwards. Nonetheless, direct engagement between the Board's constituencies remains key to balance positions and reach consensus on outstanding items.
12. New mandates under the USP were also incorporated into the work programme. The Secretariat conducted a review of GCF's capacity to deliver on the USP goals and priorities, scheduled to be considered by the Board at its twenty-ninth meeting (B.29). The review was conducted in parallel with the other 2021 institutional priorities of consolidating process efficiency and effectiveness; ensuring business continuity and advancing the digitalization of GCF operations; maintaining talent acquisition efforts in an extremely challenging context for international recruitment; and strengthening organizational culture. In addition to the above review of GCF's capacity and staffing needs, initial outcomes from the implementation of the GCF People Plan include faster recruitment processes; development of a Talent Management

Strategy and onboarding programme; improved alignment between the 9-point SMT charter developed by the Senior Management Team (SMT) and corporate values; streamlined performance management systems; and enhanced modalities for flexible working.

13. This report is organized as follows:
- (a) Section 1.2 summarizes progress against key indicators tracking operational progress;
 - (b) Section 1.3 provides a summary of progress against the six goals;
 - (c) Chapter II gives a more detailed account of the activities that were carried out against each of the six goals;
 - (d) Annex I contains the emerging Direct Access (DAE) Action Plan for the first replenishment period of GCF (GCF-1);
 - (e) Annex II presents the Long-term vision on complementarity, coherence and collaboration between the Green Climate Fund and the Global Environment Facility;
 - (f) Annex III provides a summary of the progress towards implementing the GCF People Plan;
 - (g) Annex IV contains the regular update on the memorandums of understanding signed by the GCF.

1.2 Tracking key fund indicators

14. Tables 1–3 summarize the following key operational indicators: progress across funding proposal (FP) 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). The targets for signed AMAs (101 out of 103 AEs as of June 2021) and FAAs (160 out of 173 projects as of June 2021) are particularly aggressive. However, the good results achieved during the first semester mean that they remain within reach despite some challenges arising from the rescheduling to B29 of the review of accreditation applications submitted at B28.

Table 1: Summary of funding proposals indicators for the reporting period (1 January – 30 April 2021)

Funding proposals		Approved at B.28		Target Dec. 2021	
		Public: + 14	Total: +15	Public: + 33 proposals	Total: + 45–50 proposals
Total number of FPs approved		Private: + 1			
Amount of funding approved (cumulative USD total)		Public: +1.06 billion	Total: +1,197.11 million	Public: + 1.03–1.33 billion	Total: 1.78–2.26 billion
		Private: +0,137 billion		Private: +0,750–0,880 billion	
Simplified approval process ^a	No. FPs	4		6–11	
	Total (USD)	37.5 million		60–110 million	
Direct access	No. FPs	2		12–13	
	Total (USD)	18 million		250–340 million	

Abbreviations: B.28 = Twenty-eighth meeting of the Board, FP = funding proposal.

^a The 2021 Work Programme indicates that meeting the targets is dependent on implementing the reforms to the simplified approval process set out under the work programme.

Table 2: Summary of core portfolio implementation indicators as at end of reporting period (1 January – 30 April 2021)

Core indicators	As at 30 April 2021	Target for December 2021 ^a
AMAs signed	88 cumulative (+3 in 2021) 52 DAEs total (+1 DAE in 2021)	101 cumulative (+ 16 in 2021) 59 DAEs cumulative (+8 DAEs in 2021)
FAAs signed	144 cumulative (+12 in 2021)	160 cumulative (+ 28 in 2021)
Portfolio under implementation, number of FPs under implementation ^b and value ^c (USD)	73 per cent 126 projects cumulative (+10 in 2021) 5.5 billion cumulative (+619 million in 2021)	75 per cent 132 – 139 projects cumulative (+16 to 23 FPs in 2021) 5.7 – 6.1 billion cumulative (+ 813–1,277 million in 2021)
Aggregate projected disbursements for funded activities ^d (USD)	1,777 million cumulative (+281 million in 2021)	1,874–2,078 million cumulative (+449–555 million in 2021)
Funded activity progress reports reviewed for results	5 completed (110 under review)	93 ^e

Abbreviations: AMA = accreditation master agreement; DAE = direct access entity, FAA = funded activity agreement, FP = funding proposal.

^a Annual targets indicate additional annual amounts as expressed in the 2021 Work Programme.

^b This refers to projects that have reached FAA effectiveness.

^c The value refers to the GCF funded amount.

^d The amounts include accredited entity fees.

^e The Secretariat expects 116 funded activity progress reports to be reviewed for results, reflecting the updated number of projects under implementation (FAA effective) as at 31 December 2020.

Table 3: Summary of the Readiness and Preparatory Support Programme and Project Preparation Facility indicators for reporting period (1 January – 30 April 2021)

Core indicators		As at 30 April 2021		Target for Dec 2021 ^a	
Readiness	Proposals approved and approved amount (million USD)	Adaptation planning: 4 (9.52)	Total: 19 (22.48)	Adaptation planning: 18 (39.6)	Total: 73 (87.1)
		Readiness other than adaptation planning: 15 (12.96)		Readiness other than adaptation planning: 55 (47.5)	
Readiness	Total proposals receiving and disbursed amount (million USD)	Adaptation planning: 58 (63.78)	Total: 430 (165.47)	N/A	
		Readiness other than adaptation planning: 372 (101.69)			

Core indicators		As at 30 April 2021		Target for Dec 2021 ^a
	Total proposals completed (million USD)	Adaptation planning: 0	Total: 52	N/A
		Readiness other than adaptation planning: 52		
	Readiness implementation reports reviewed	99		
PPF requests	No. requests approved and approved amount (million USD)	4 (2.5 million)		12 (7.2 million)
	No. requests receiving disbursement and amount disbursed (million USD)	7 (3.1 million)		N/A (6 million)
	CNs/FPs supported by PPF technical assistance	0		5

Abbreviations: CN = concept note, FP = funding proposal, N/A = not applicable, PPF = Project Preparation Facility.

^a 2021 Work Programme targets indicate additional approvals and amounts as carried out during 2021.

1.3 Summary of progress towards the six priorities

1.3.1. Origination of country-driven, paradigm-shifting investments

15. In line with the ambitions of both the 2021 Work Programme and the recently adopted USP, the Secretariat kick-started the year with the publication of new “Country Programme Guidance”. The guidance advises countries on the role and use of country programmes in building a high-impact pipeline for the GCF aligned with their national climate context and needs. It also supports countries in identifying the right entities for project development and structuring. The guidance was published in three languages and initial dialogues were organized to introduce it to national designated authorities (NDAs). In addition, one new country programme was endorsed internally by the Secretariat. With one project idea from country programmes already approved by the Board and four more submitted to the GCF, the Secretariat will continue working with countries to translate country programmes into bankable investments.

16. Given the context of the ongoing pandemic, engagement with countries and entities continued on a virtual basis. Five more entity work programmes (EWPs) for international access entities (IAEs) were submitted to the Secretariat during the reporting period. Dedicated effort continues to be placed on bringing more EWPs for direct access entities (DAEs) and this is included in the evolving strategy to increase FPs from DAEs for GCF-1 (the DAE Action Plan) (see annex I to this report). The DAE Action Plan seeks to address challenges across the entire cycle of engagement of DAEs with the GCF, from the accreditation process to project development and implementation. Built around three pillars, the Action Plan seeks to; (i) diversify the range of DAEs and advise countries on strategic nomination of DAEs; (ii) improve guidance and support for project development aligned with country priorities and the USP; and (iii) strengthen support for DAE capacity-building, including in the context of national planning efforts.

17. Readiness proposals continued to be approved at a steady pace, with the notable highlight being a substantial increase compared with 2020 in the submission of multi-year proposals as well as proposals oriented at facilitating a climate-resilient recovery. As of 30 April 2021, the Secretariat had received a total of 23 readiness requests (20 received during the reporting period) for developing climate-resilient recovery strategies. On the adaptation planning front, more countries are taking a step-by-step approach to utilizing the USD 3 million allocation, compared with using it under a single proposal. Support for a climate-resilient recovery also saw the approval of a first regional recovery programme with the Asian Development Bank (ADB) at B.28. A first PPF DAE application for FP development was also approved under a new business line (the PPF service) and further guidance and modalities are being explored to accelerate access for project preparation. The results of project preparation support are also starting to materialize. More FPs were submitted because of PPF support, the majority from DAEs, and two FPs developed through PPF were approved at B.28.

18. Work towards building and strengthening the GCF network of accredited entities (AEs) continued on several fronts. Considering the programming ambitions and portfolio targets under the USP, the Secretariat began incorporating these considerations in its management of the pipeline of AEs. It also further supported the Accreditation Committee in the development of the accreditation framework, which was published but not considered by the Board at B.28. The operationalization of the Digital Accreditation Platform (DAP) means AEs can now use it for the re-accreditation process and meeting the requirements under the monitoring and accountability framework (MAF). In line with the latter, the Secretariat also began processing the institutional assessments required by AEs that are entering or are in the third year of their accreditation term. Finally, three more accreditation master agreements (AMAs) were concluded during the reporting period, including one DAE and one commercial bank which had been pending for a long time. The latter was facilitated by the Board's approval of a deviation from the standard AMA template at B.28.

1.3.2. Project development and appraisal to build an impactful GCF portfolio

19. The first meeting of the Board in 2021 saw the largest funding approval at a single Board meeting in GCF history, with USD 1.2 billion programmed through 15 FPs. This confirms the Secretariat's ability to programme USD 1 billion per Board meeting, dependent on the availability of commitment authority. The portfolio grew to include a new range of projects promoting ecosystems and nature-based solutions; a climate risk management programme in seven Sahelian countries; the first large programme on greening the COVID-19 response and recovery covering the Association of Southeast Asian Nations (ASEAN) with the ADB; and a large risk mitigation initiative for renewable energy in Africa with the World Bank. B.28 also saw the approval of more equity-based projects.

20. The Secretariat's pipeline management efforts have also been adjusted to reflect the new portfolio targets under the USP. Based on the current portfolio and pipeline observations, modelling of the Secretariat portfolio indicates the need for additional efforts to meet the USP programming goals on adaptation, direct access, and private sector mobilization. While 2020 saw a substantial increase in DAE funding (from 11 per cent in initial resource mobilization (IRM) to 20 per cent at the end of 2020), approvals at B.28 decreased this proportion. The Secretariat has incorporated the USP targets in its pipeline review processes, with a view to prioritizing in the short term those proposals that can support the USP goals.

21. In the medium and long term, these efforts will be deepened with the implementation of the DAE Action Plan to support DAE programming and the development of a Private Sector Strategy with a strong focus on catalysing investment in adaptation and nature-based solution. Private sector programming will focus on maturing a growing pipeline of equity- and guarantee-related projects, which have proven particularly effective for mobilize private finance in LDCs/SIDS and avoid increasing the sovereign debt burden of countries.

22. Various actions were taken to streamline and standardize the review processes and provide additional guidance for the development of FPs. Following the Board's adoption of the updated modalities for the operations of the independent Technical Advisory Panel (TAP), the Secretariat laid the foundations for the implementation of a rolling review process. Engagements with the TAP are also planned to improve the consistency of the review criteria, in line with the Board mandate. Additional tools supporting the review process were further developed during the reporting period. The Secretariat has begun to develop an additionality tool and a version of the investment criteria scorecard for concept notes (CNs) and has also started to pilot the Project Success Risk Tool endorsed by the Risk Management Committee. Three additional sector guides were released for consultation after B.28, building on the lessons from the consultation process with the first batch released in 2020.

23. With regards to specific funding windows, four more proposals under the simplified approval process (SAP) were approved at B.28, of which three were from new IAEs. External technical support is also being contracted to support the Secretariat in its review of SAP proposals, reiterating the fact that SAP reviews require almost as much time and capacity as regular FPs. The Secretariat has also conducted consultations on the update to the SAP modality prior to B.28 and through bilateral discussions with Board members after B.28. No further approvals were concluded under the micro, small and medium-sized enterprises (MSME), enhancing direct access (EDA) and mobilizing funds at scale (MFS) requests for proposals (RFPs) and the allocation under the RFP for the first REDD-plus results-based payments was exhausted in 2020. In line with the 2020–2023 Board Work Plan the Secretariat is planning to conduct a comprehensive review of RFPs in 2021. This will build on a review of the results and effectiveness of each of the individual RFP to date, the findings from the rapid assessment of RFPs by the Independent Evaluation Unit (IEU), and the outcomes of the Board's consideration of the project-specific assessment approach (PSAA). Dedicated technical sessions on REDD-plus were also planned for and organized during the reporting period.

24. An inter-divisional team was established to prepare GCF private sector strategy in 2021. The strategy will define the actions needed to meet the USP ambitions and portfolio targets on private sector engagement and mobilization. The strategy will set out a plan for building capacity for private sector engagement and deploying early-stage financing for innovation and blended finance to scale up private investment. It will also consider whether the current modalities of the Fund are fit for purpose and explore options around new private sector modalities such as supporting local currency lending, guarantees or early-stage incubation. Concrete investments on deploying equity for adaptation and nature-based solutions are also being evolved under the pipeline.

25. As part of its global policy dialogue to address the green investment gap in developing countries, the Secretariat continued its engagement with partners such as the Network for Greening the Financial System and is considering new modalities to step up its support to AEs and NDAs' efforts to adopt carbon accounting and climate-related financial disclosures, potentially through the Readiness Programme.

26. Finally, the Secretariat continued to apply its integrity, compliance and safeguarding policies across all portfolio-building activities. All FPs were screened and reviewed and continue to be in compliance with the Gender Policy, Environmental and Social Policy and Indigenous Peoples Policy. In addition, the Secretariat continued working with the Independent Integrity Unit on developing the standard operating procedures (SOPs) for the anti-money-laundering and countering the financing of terrorism (AML/CFT) standards; is in process of designing a compliance risk management system; and has provided tools to operational teams in applying the Compliance Risk Policy and conducting preliminary United Nations Security Council financial sanctions screenings.

1.3.3. Management of portfolio implementation for results and knowledge

27. The first trimester of 2021 maintained the trend of accelerating the portfolio towards implementation, with 12 new funded activity agreements (FAAs) signed, almost half of the total target of 28 for the year. This brought the total number of FPs under implementation to 126, amounting to around 73 per cent of the total portfolio. Current estimates indicate that up to 78 per cent of the portfolio can be under implementation by end of the year, including new anticipated approvals for 2021.
28. Thanks to the active monitoring of individual project circumstances and the adaptive measurements put in place, disbursements also continued at a steady pace. Of the total amount of USD 5.5 million in GCF funding for projects under implementation, 31 per cent has been disbursed, including full disbursement for eight projects. Implementation is progressing better than the Secretariat expected in 2020 and the cumulative disbursement is expected to fall in the range of USD 2.2–2.7 billion, which is beyond the targeted range of USD 1.8–2.1 billion set out in the 2021 Work Programme. This also signals a substantial improvement in both implementation ratio (average period from FAA effectiveness/expected project duration) and in the disbursement rate (total amount disbursed to AEs for the projects under implementation/the total value of projects under implementation).
29. The Secretariat has continued to actively monitor individual project circumstances and needs and has processed an increased number of adaptive management requests. A total of 54 requests were received during the reporting period, targeting implementation timeline extensions and project restructuring. Most notably, changes in national priorities due to COVID-19 have had an impact on the availability of co-financing. Private sector projects in particular are seeking leeway for a different deployment of hard and local currencies, using new financing windows and securing reduced pricing. Most of the requests for extension of timelines and minor requests come from DAEs. Adaptive management measures such as no-cost extensions also continued to be offered to readiness proposals under implementation.
30. The two agencies with the largest number of mature projects under implementation are also the two agencies with the largest number of projects at risk (United Nations Development Programme (UNDP) and European Bank for Reconstruction and Development). Data is not yet available to enable us to conduct meaningful comparison across agencies for #projects at risk/#projects approved or #projects at risk/#projects under implementation. However, the independent assessment of the GCF portfolio implemented by UNDP should enable us to further probe this issue.
31. At the Secretariat level, the Portfolio Performance Management System (PPMS) has been rolled out in this first trimester and is being used for the submission of both annual performance reports (APRs) and inception reports. The Secretariat is on track to meeting the 2021 Work Programme target on activity reports and has revised upwards the APR target, to reflect the growing number of focal points that will be submitting them throughout 2021.
32. Activities to strengthen the results management capacity of GCF and AEs and confirm the results estimates for the portfolio provided by AEs have further progressed. First, the Secretariat continues to provide guidance to AEs on logical frameworks, using the GCF performance and results indicators and consistent greenhouse gas (GHG) calculation methodologies, and incorporating adequate monitoring and evaluation (M&E) provisions under FPs. Second, a notable achievement was the Board's approval at B.28 of the proposal to "Address gaps in the portfolio for measurement" (B.28/02), which will address results measurement risks under the IRM portfolio by supporting AEs through remedial actions. The budget for this initiative has been prepared and, following the approval by the Board, the Secretariat will select a vendor to support this exercise. In parallel, the Secretariat has also carried out its own reassessment of the existing mitigation portfolio using consistent GHG calculation methodologies, with a view to revising and strengthening confidence in the current portfolio result estimates. Following confirmation from AEs, portfolio results reporting will be updated to reflect the new figures.

33. Work is ongoing to strengthen the systems for translating investment results into tangible knowledge products. Work started on setting up a Readiness Knowledge Bank and using information from Readiness implementation for developing case studies for publication. This will be an organic and continued process, supported by increasingly robust data analytics.

1.3.4. Supporting the Board and helping to advance consolidation of the GCF policy and governance frameworks

34. During the first three months of 2021 there was a continuation of the virtual engagement processes put in place over the course of 2020 for carrying out Board meetings and Board consultations. The Secretariat kick-started the year by onboarding the new Co-Chairs and new Board members and supported the successful running of B.28, the third virtual Board meeting held to date.

35. With limited progress made on the policy agenda in 2020, a considerable number of policies were deferred to 2021. These include policies which seek to further simplify access to GCF funding for small-scale activities; update operational modalities for independent FP 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.

36. The Secretariat worked on 14 drafts for consideration by the Board, Co-Chairs or committees: six Secretariat-led policies that were published for B.28; four investment framework policies which remain under consideration by the Investment Committee; and four drafts prepared for the Co-Chairs or committees. Of these, three mandates were concluded by the Board. One mandate was concluded by the Board prior to B.28 via a decision taken between Board meetings (GCF/B.BM-2021/03) and two policy mandates were concluded at B.28: "Addressing gaps in the portfolio for measurement" (described in 1.3.3 above) and the "Update to the operations of the independent Technical Assessment Panel", which will further enhance the capacity of GCF for reviewing and programming by moving towards rolling reviews and will improve the consistency of review criteria between the Secretariat and the TAP.

37. The Secretariat continued to apply the Policy Manual standards and templates for all policies under its mandate. It also sought to facilitate this consistency across all the GCF policy-making avenues by encouraging all GCF entities developing policies for the Board consideration to use the same templates and approach (10 GCF entities are involved in policy development). The Secretariat also piloted a new range of consultation modalities with the Board based on the needs of each policy for the items under its mandate. Piloted consultation modalities included written reviews, informal sessions, and numerous bilateral engagements with individual Board Members. This has been highly instrumental in refining the policy proposals, reaching consensus on several items during B.28 and after the meeting through BBM approvals or advancing the proposals to a point where further in-depth consultations are needed. Reflections on the outcomes to date indicate the need for further direct engagement between the Board's constituencies to balance diverging views and facilitate a consensus on outstanding items.

38. Policy work continued to follow the internal policy development process and quality standards set under the draft Policy Manual, under the oversight of the Climate Policy Committee. Each of the six policies submitted to the Board have followed the Climate Policy Committee's process and had integrated impact assessments, with two having preliminary implementation arrangements in place. During the reporting period the Secretariat also undertook extensive consultations on the draft Policy Manual with a view to finalizing it by mid-2021. Consultations included a series of sessions with staff on (i) the internal policy cycle, from agenda-setting, to policy development, Board consideration and approval, and subsequently implementation; and (ii) the considerations that should be taken into account when developing a policy, including its impacts and implementation requirements.

39. Following the Board's adoption of two new items, the Secretariat kick-started a process for formalizing policy implementation to ensure full cross-Secretariat alignment on

implementation and ensure timeliness in delivering on the Board mandates. This work is expected to mature over the course of 2021, especially as more items are being considered and approved by the Board.

40. Engagement with the United Nations Framework Convention on Climate Change (UNFCCC) and its constituted bodies continued on a virtual basis, with a focus on working towards the lead-up of the twenty-sixth meeting of the Conference of the Parties to the UNFCCC (COP 26). This included meetings with the COP 26 President as well as informal consultations between the working level units of the COP Presidency and the Secretariat. In parallel, the Secretariat pursued its engagement with the other climate funds and dedicated workshops took place on opportunities for harmonizing performance indicators and synergizing M&E across portfolios.

1.3.5. Facilitating access and accelerating implementation by improving process efficiency, effectiveness, transparency and speed of delivery

41. Following the publication of a set of key manuals over the course of 2020, the Secretariat has begun their formal operationalization and is tracking lessons from their implementation. From the perspective of the FP review cycle, the Operations Manual and Programming Manual introduced requirements for a more thorough and consistent assessment of climate impact potential, greater integration of review inputs across divisions, and an independent appraisal by OMRC. During the reporting period, 73 per cent of the proposals reviewed included a climate impact assessment and 56 per cent benefited from a kick-off meeting prior to beginning technical review. The OMRC's independent appraisal was also piloted for several proposals.

42. A novel feature of the 2021 Work Programme has been the introduction of a goal for meeting set service standards or response times for process stages under the Secretariat review. Progress against the service standards varies across processes. The goal has been exceeded for the PPF and adaptation planning window and is near the target for regular readiness and CN/FP reviews. Because the documentation and appraisal/approval requirements for SAP proposals are almost the same than for regular FPs, reviewing SAP proposals requires as much time as regular FPs, slowing down Secretariat response times. Systems are also being put in place to track responses to first stage accreditation of applicants.

43. Progress was also made towards the implementation of the 2020-23 Digital Agenda, particularly in further evolving the Human Resources (HR) management system, the financial management system, the DAP and various features of Board-facing services. A new tracking system is also being piloted with the TAP, with a view to consolidating and digitalizing their review process. The Secretariat also continued applying the new Corporate Procurement Guidelines and contracts have been awarded in line with sustainable procurement practices. The Procurement Manual has undergone internal consultations during the reporting period and is in the process of being finalized. The Finance Manual has also been finalized in January and the Secretariat is now looking to identify gaps in the GCF financial reporting practices and recommend improvements towards alignment with international best practices for corporate reporting.

44. The application of the Information Disclosure Policy saw twelve forms circulated to Board and active observers during the reporting period, both prior to Board approval and post-approval at the subproject level. Efforts are also ongoing to finalize the registration of active observers. Finally, the revisions to the Environmental and Social Policy to take into account the policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment (SEAH Policy) have been circulated for public consultation with active observers prior to its further consideration by the Board.

45. In line with new institutional mandates under the USP the Secretariat has commissioned external support for conducting a capability review, scheduled to be considered by the Board at B.29. The capability review will analyse the capacity of GCF to deliver on the USP ambitions for

increased programming during GCF-1 by assessing existing operational bottlenecks and resourcing and staffing needs and undertaking a cost-benefit assessment of the needs and options for establishing a GCF regional presence.

1.3.6. Fostering a high-collaborative culture and consolidating institutional capacities and oversight

46. Given the concerning evolution and lasting impacts of the global Covid-19 pandemic, the 2021 Work Programme included a dedicated goal of ensuring business continuity and staff safety. The Secretariat is working towards institutionalizing and evolving the business continuity practices installed during 2020. These will be formalized under a Business Continuity Plan. The plan will be informed by the findings and recommendations of an independent study commissioned in 2020 to evaluate GCF's response to the pandemic.

47. An ongoing institutional priority for 2021 is attracting, nurturing, retaining, and deploying the diverse and talented people needed to deliver on the GCF mandate and the ambitions and goals for GCF-1 and beyond. The Secretariat developed a GCF People Plan in 2020 to support and guide these efforts, better articulating GCF's employee value proposition (EVP). This covers the career development constraints of GCF as a small independent multilateral institution within limited internal mobility but also unique opportunities, capitalizing on its position as a hub of the climate finance community with over 100 AEs. The mandate, innovative programming, opportunities to directly work on policy development and competitive salary and benefits offered are also key elements. The results of the implementation of the People Plan in the first trimester of 2021 are contained in annex III to this report.

48. International recruitment in a global pandemic context remains challenging and this is particularly affecting a fast-growing institution relying heavily on expatriation such as GCF. As a result, the fill ratio remains below the desired target for staff and the Secretariat relied on individual consultants to address some critical capacity gaps. However, several key positions have been filled during the reporting period, including for the Deputy General Counsel and Climate Science Lead and nine additional staff are waiting to join the GCF. Improvements have also been made in further digitalizing and speeding the recruitment process. The Secretariat capacity to reach its fill ratio could be facilitated by successful global vaccination efforts.

49. Staff engagement were pursued on various fronts, primarily in response to the Staff Survey conducted in 2020. In response to an overwhelming staff concern about the capacity of management to address their priorities, a follow-up survey was carried out to identify the top priorities for action. The top concerned areas that emerged were: (i) staffing and resourcing (work life balance); (ii) career development; (iii) compensation; (iv) operational efficiency, systems, and autonomy; and (v) staff roles and responsibilities. These issues will be systematically addressed under the evolving capability review and review of the HR legal framework and salary structure as well as the upcoming Talent Development Strategy. All follow-up actions from the engagement survey will become part of a corporate plan.

50. The Grievance Handbook was finalized following internal consultations and was introduced to all staff during the reporting period. A dedicated conflict management training session was also delivered by the Ombudsperson to all staff. As a result of the full operationalization of the role of the Ombudsperson and extended access to informal resolution avenues, 16 out of the 17 dispute cases opened in 2021 have already been closed, with no new cases deferred to the Independent Integrity Unit (IIU). In addition, cross-Secretariat efforts have accelerated the development of the onboarding programme, which will cover all GCF functions and is planned to be rolled out by the end of 2021.

51. Another institutional priority is to address the current GCF coverage gap in privileges and immunities. With a growing portfolio under implementation in countries without GCF privileges and immunities, the Secretariat has advanced its engagement with the United Nations on the most appropriate form of relationship between the GCF and the United Nations to secure additional privileges and immunities coverage. This is now included for consideration by the

Board under the “Fourth Biennial Report on the Privileges and Immunities of the Green Climate Fund”. New institutional systems are also under development, including a risk-based work plan for 2021-2024 and a constituency relationship management system.

52. Finally, the Secretariat continued its resource mobilization, partnership, and communication activities. Signed pledges remains at 96 per cent of total pledges. Positive news includes the request of the Administration of the United States of America to Congress to allocate USD 1.25 billion to GCF in the 2022 budget cycle. If approved, this would amount to 48% of the requested allocation to multilateral climate finance in 2022 and would enable GCF to keep programming about \$ 1 billion per Board in 2020. The Executive Director also led GCF engagement in a series of global forums, as part of GCF contribution to the global policy dialogue on climate finance in the lead-up to COP 26. Several documents were prepared to support these efforts, including GCF’s first ever Annual Results Report - “Climate action during the pandemic”.

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

2.1 Origination of country-driven, paradigm-shifting investments

2.1.1. Advancing investment planning through country programmes

53. Country programmes are the cornerstone of each country’s pipeline development for GCF. The submission of country programmes is also the first stage of the GCF project and programme cycle and forms the basis for prioritizing the development of FPs for submission to the GCF.

54. The GCF Country Programme Guidance was published in English by the Secretariat in January 2021, with Spanish and French versions released in February. An introductory webinar on the guidance was held on 24 February. The webinar gathered representatives of NDAs and covered (i) the role of country programmes in translating national climate strategies into country-driven investment programmes for GCF; (ii) identifying top priority project ideas for each country or region and the preferred AEs that can support their development; and (iii) structuring and mobilization of additional sources of finance. Representatives of NDAs were invited to share their experience in developing their country programmes.

55. One country programme for GCF-1 has been endorsed by the Climate Investment Committee in 2021 and three more are at different stages of review within the Secretariat. Project ideas from the total endorsed GCF-1 country programmes amount to an estimate of USD 1.7 billion in GCF financing and are mostly in partnership with DAEs. One project idea has already been approved by the Board and four have been received as a CN or FP. Technical assistance continues to be provided through a dedicated service provider consortium for a group of countries that are yet to submit their country programmes. The Secretariat also provides recommendations to countries on project prioritization and using Readiness and project preparation support for CN development, diversifying the use of financial instruments, and engaging further with the private sector.

56. Due to travel restrictions and limited options for in-person missions, the Secretariat continued to use alternative forms of engagement in order to maintain active communication with countries. In addition to the regular bilateral conversations with NDAs, the following engagements took place:

- (a) The Secretariat participated in a series of meetings requested by countries through their embassies in the Republic of Korea. These included a virtual knowledge-sharing session with the NDAs of Indonesia, Papua New Guinea, Mongolia and Uganda; meetings with the Ambassadors of Iraq and Costa Rica; and a meeting with Guatemala’s Minister of Foreign Affairs;

- (b) Between 1 and 5 March 2021, the Secretariat conducted a virtual event on Transformational Climate Financing for the Caribbean Regional Engagement. This provided a platform for engagement with NDAs, AEs, delivery partners and other GCF stakeholders around improving access to and mobilizing urgently needed climate finance via development of innovative and transformational projects for a low-carbon and climate-resilient Caribbean. In this event, the Prime Ministers of Barbados and Belize along with other speakers reiterated the importance of GCF in financing the nationally determined contributions and climate initiatives of countries in the region;

2.1.2. **Fostering programming partnerships and alignment of entity work programmes**

57. The GCF network of AEs is essential for enabling countries to access GCF resources, and EWPs are a key tool for responding to country programmes. EWPs are also the second step in the GCF project cycle, contributing to improving the quality of FPs at pipeline entry and facilitating a more predictable programming engagement with GCF.

58. The key target for 2021 under this goal is to establish 10 multi-annual EWPs with improved country alignment in addition to the 9 that were endorsed by Climate Investment Committee in 2020 (KPI 1.4). As at 30 April 2021, the Secretariat received 23 EWPs: 12 by regional DAEs (no new EWPs received during the reporting period) and 11 by IAEs (5 new EWPs received during the reporting period). These EWPs are under various stages of review either by the Secretariat or by the AEs themselves. For EWPs brought forward by IAEs, the Secretariat's feedback covers, among other things, issues concerning a clear identification of the AE's comparative advantages; the importance of engaging with NDAs and ensuring alignment with country priorities; diversification of the pipeline to include more adaptation-focused proposals or mitigation projects with significant adaptation benefits; opportunities for involving DAEs in the projects; and opportunities to leverage more private sector financing. At the project idea level, the feedback includes adding a clear narrative on GCF's added value, climate rationale, choice of financial instruments, co-financing opportunities, complementarity and coherence with other climate funds.

59. Given the travel constraints due to COVID-19, the Secretariat continues to engage virtually with all regional and international AEs through regular calls and email correspondence with a view to supporting the development of additional EWPs for the Secretariat to review.

60. In addition to the dedicated engagements on entity work programming, the Secretariat also continued to enhance the broader partnership with AEs by engaging with them on other priorities. This included two online workshops with the United Nations Development Fund that focused on an audit of the GCF-UNDP portfolio; common issues concerning the negotiation of FAAs; implementation of both project and readiness portfolios; reporting on projects; and re-accreditation and accreditation upgrades.

2.1.3. **Implementing a multipronged action plan to promote direct access**

61. Both the 2021 Work Programme and the USP include ambitious targets for expanding the use of the direct access modality. In response to these goals the Secretariat has kick-started the development and implementation of a Direct Access Action Plan (DAE Action Plan), which covers the entire cycle of DAE engagement with the GCF, from the accreditation process through to programming and implementation.

62. The emerging DAE Action Plan under development is based on observations on the challenges for DAEs when engaging with the GCF to date and is based on three pillars:

- (a) The first seeks to diversify the accreditation scope of DAEs to include entities that can manage both larger projects and a wider range of instruments. This includes providing targeted guidance to countries in their nomination of DAEs and continuing to provide dedicated support for meeting accreditation criteria;

- (b) The second pillar focuses on providing a more diverse and efficient range of technical support and guidance for project development as well as better aligning the accreditation and project development cycles to accelerate pipeline development. This will also include the development of additional guidance on establishing the climate science basis for CNs and FPs, articulating clear logical frameworks and theories of change; and aligning project ideas to the GCF investment criteria; and
- (c) The third pillar focuses on using existing processes and funding windows for strengthening DAE institutional capacity and supporting a better alignment between countries and DAEs as well as between countries – IAEs – DAEs. Hooks for coordination with DAEs can be incorporated into countries’ national planning efforts supported by the Readiness Programme. Targeted readiness packages for DAE capacity-building can be developed and accessed by countries upon request.

63. In parallel, the Secretariat has begun the process of recruiting a dedicated DAE manager who will oversee all DAE-related activities and implementation of the DAE Action Plan. This role will evolve based on internal consultations, lessons learned from its preliminary application and evolving DAE programming observations. The DAE Action Plan is contained in annex I to this report.

64. During the reporting period, the Secretariat worked towards supporting countries to identify suitable DAEs to be proposed for accreditation. This was in the context of the country programming process and the Secretariat provided further guidance on the links between programming and accreditation. Bilateral discussions on setting up a national accreditation strategy took place with the NDAs and potential applicants of Argentina, Bhutan, Ethiopia, Morocco, Myanmar, Nigeria and Palau. Under the GCF MAF, IAEs regularly report to the Secretariat on their efforts to support the accreditation of DAEs with GCF; it is envisaged that IAEs submit relevant information about these efforts in their re-accreditation applications. The Secretariat also approved five readiness grants (USD 1.08 million) to support candidate DAEs and accredited DAEs to meet and maintain GCF accreditation standards and conditions. This amount includes over USD 0.6 million for private sector entities in Chile and Tonga.

65. In parallel, the Secretariat continued its engagement with the International Development Finance Club (IDFC) on several fronts. As 13 members¹ of IDFC are AEs of GCF, the Secretariat has been leveraging the IDFC network to build a substantial pipeline of projects with public development banks, 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, including the student climate investment challenge programme, with the goal of leveraging the partnership to accredit more public development banks in developing countries and build an impactful, country-driven portfolio of projects and programmes.

2.1.4. Shifting towards multi-year readiness support for transformational planning and programming

66. Countries continue to adapt to the revised Readiness Programme strategy adopted at the twenty-second meeting of the Board (B.22) and have begun to submit more proposals seeking support for pipeline development and DAE support to strengthen their technical capacity for designing investments and enable their accreditation. The Secretariat saw an increasing number of requests under the Readiness Programme in 2020 targeting actions to enhance the country’s planning frameworks, policies and pipeline development. Of the 72 proposals approved in 2020, 90 per cent targeted sector-specific frameworks and policies, and

¹ GCF AEs that are IDFC members: Agence Française de Développement, Banco Nacional de Desenvolvimento Econômico e Social, Banque Ouest Africaine de Développement, Cassa Depositi e Prestiti S.p.A., CDG Capital S.A., Central American Bank for Economic Integration, Corporación Andina de Fomento, Development Bank of Southern Africa, Japan International Cooperation Agency, Korea Development Bank, Kreditanstalt für Wiederaufbau, PT Sarana Multi Infrastruktur, and Small Industries Development Bank of India.

support for CN development. As at 30 April 2021, the Secretariat approved 15 single-year proposals worth USD 12.96 million, of which 8 proposals worth USD 4.6 million contain a focus on pipeline development, continuing the 2020 trends (KPI 1.1).

67. The Secretariat had received 11 multi-year readiness requests as at 30 April 2021 and these are under review by the Secretariat or have gone back to the country and/or delivery partner for further improvement (KPI 1.1). In line with decision B.22/11, paragraph (h) countries are required to perform a needs assessment prior to applying for multi-year readiness support if they do not have such an assessment already contained in their country programme. The Secretariat is supporting countries in conducting such needs assessments, as requested.

68. In parallel, similar progress has been made on adaptation planning. The Secretariat received 10 new adaptation planning proposals and approved 4 additional proposals in this reporting period (USD 9.52 million). This represents a cumulative total of 62 approved proposals worth USD 148.99 million since 2016. The Secretariat has disbursed cumulatively USD 63.78 million, accounting for almost 43 per cent of the total approved funding. In response to requests from the COP, the Secretariat will continue to prioritize countries that have not yet accessed the adaptation planning support window, in particular, least developed countries, small island developing States and countries in Africa.

69. The Secretariat has undertaken various initiatives and measures to improve efficiency and reduce processing times for proposals, including improved communications with NDAs and their delivery partners regarding origination and revision of proposals, as well as reduced turnaround times on review and internal clearance for approval. One of the approved proposals in this reporting period had been initially submitted in November 2020 and approved in April 2021, representing the shortest time from official submission to approval of an adaptation planning proposal – 5 months.

70. There is a trend towards adopting the multiple sequential proposal approach for adaptation planning support, rather than accessing the full USD 3 million through a single proposal. This approach enables NDAs to work with different delivery partners, as appropriate, to undertake subnational and/or sectoral adaptation planning as tailored to different country contexts. It also enables the NDAs to apply lessons learned from preceding phases of adaptation planning support. Several of the recently submitted adaptation planning proposals indicate which sectors the successive proposals will focus on. The Secretariat continues to encourage NDAs to apply this approach.

71. The Secretariat also encourages NDAs to engage local and regional delivery partners, which are more likely to have greater understanding of the local context, enabling them to formulate and implement transformational adaptation planning processes. The Secretariat continues to make technical assistance available to NDAs for formulation of adaptation planning proposals, upon request.

2.1.5. Extending support for climate-resilient recovery

72. During B.26, the Board approved a two-year work programme and budget for 2020–2021, which aligned the revised Readiness Programme strategy with the GCF-1 period and provided expedited access to resources for countries to develop climate-resilient recovery strategies in response to the COVID-19 pandemic. As of 30 April 2021, the Secretariat had received a total of 23 readiness requests (20 received during the reporting period) for developing climate-resilient recovery strategies. Of the 23, one request has been approved and is under implementation and three requests were technically endorsed. The 19 other requests have been reviewed and sent back to countries for further revisions.

73. From a programming angle, the Board approved at B.28 funding for the “ASEAN Catalytic Green Finance Facility (ACGF): Green Recovery Program” with ADB, a first ever large programme on greening COVID response and recovery in the ASEAN region. The programme is the first regional “green recovery” programme for Asia and seeks to kick-start a cycle of low-

emission, climate change mitigation investments to support economic recovery following the pandemic. It will support at least 20 subprojects focused on green infrastructure development, catalysing capital from all sources – commercial, private and public.

74. In addition, under the evolving pipeline being processed through the internal Climate Investment Committee most adaptation projects have a co-benefit of fostering a climate-resilient recovery from COVID-19.

2.1.6. Deploying project preparation support for country-driven investments

75. Seeking to expedite support for the design of innovative transformational interventions, the Secretariat worked towards meeting the 2021 Work Programme goal of approving an additional 12 PPF requests over the course of 2021 (KPI 1.2). The 2021 Work Programme also set out ambitions for further improving the efficiency of the PPF process, with a dedicated focus on enabling access for DAEs.

76. Several concerted actions were taken towards improving and expanding PPF support to more efficiently assist AEs, and particularly DAEs, in the development of project ideas, CNs and FPs for GCF:

- (a) The Secretariat has approved the first PPF application for FP development under the recently set up business line, the PPF service, for a DAE. One of the eight rostered independent consultancy firms or consortia that can provide on-demand project preparation services to AEs has been selected and deployed. Additional applications from DAEs are being processed;
- (b) In terms of project development technical assistance for project idea or CN development via rostered professional firms, the Secretariat is proactively reaching out to DAEs and NDAs on identifying potential needs as well as streamlining the template and process. Currently, four such technical assistance assignments are being discussed in terms of the detailed scope of the support;
- (c) A technical guidance document for project development is being developed to support AEs in developing PPF applications and GCF projects. This will cover how to organize project preparation activities and will include cost benchmarks for different types of project development activities as well as examples and templates of terms of reference for such studies; and
- (d) The Secretariat also provided guidance on accessing the new PPF modalities and service rosters during the regional Caribbean dialogue, and has begun preparations for the upcoming regional dialogues in the Pacific region.

77. Over the reporting period, four additional PPF applications were approved, three of them from DAEs (KPI 1.2). This brings the overall PPF portfolio to 41 projects, of which 28 (68 per cent) are from DAEs, amounting to 72 per cent of the approved PPF funding. The total approved amount is USD 25.9 million, of which USD 18.4 million has been disbursed.

2.1.7. Tracking the results of Readiness Programme and Project Preparation Facility

78. In line with the ambitions of the 2021 Work Programme, the Secretariat has started evolving new systems for tracking the outcomes of deploying readiness and project preparation resources to support the submission of FPs to the GCF.

79. Preliminary highlights on the results of PPF support are as follows:

- (a) In total, 12 FPs have been submitted after using project preparation resources, including 4 submitted over the reporting period. Three out of the four are from DAEs;

- (b) Out of the 12 submitted FPs, 5 were subsequently approved by the GCF Board, including 2 at B.28. Three out of these five FPs are brought forward by DAEs, which accounts for 85 per cent of the GCF approved funding for the 5 approved projects; and
- (c) The remaining FPs that have been submitted to the GCF are at various stages of the review process. Two of the PPF-supported FPs are being progressed targeting B.29 and another two are targeting the thirtieth meeting of the Board (B.30). Out of these four proposals, three are from DAEs.

80. Modalities for tracking such results in a more standardized and consistent manner will be consolidated under the Readiness component of the PPMS. The PPMS will track all deliverables and progress reports in addition to processing disbursement and amendment requests. The deliverables will cover CNs and FPs submitted to the GCF. The first phase of PPMS-Readiness will be deployed by December 2021.

2.1.8. Further consolidating the GCF network of AEs and streamlining the accreditation process

81. Working towards building the GCF network of AEs, the Secretariat continued to (i) develop an accreditation strategy; (ii) advance the updates to the accreditation framework; (iii) further streamline, accelerate and increase the transparency of the accreditation process and process accreditation applications; (iv) implement the re-accreditation process; and (v) work to conclude AMAs.

82. Following the adoption of the USP at B.27, the Secretariat is reviewing accreditation applications considering the approach to accreditation contained in the USP. The USP will continue to guide the work of the Secretariat in building its AE portfolio and managing the pipeline of accreditation applications. This includes providing early guidance to the NDAs and potential applicants based on the GCF-1 programming ambitions set out under the USP. USP alignment is being taken into consideration during all stages of the accreditation review, starting from defining accreditation scope and up to re-accreditation review.

83. The Secretariat also continued to support the Accreditation Committee in the development of the updated accreditation framework, including PSAA. Following the revised document that was published for B.28 on 2 March 2021, the Secretariat remains available to further support the Board in its consideration of the updated accreditation framework.

84. The Secretariat supported the Accreditation Panel towards establishing a baseline methodology on the overall portfolio of AEs and coordinated work on piloting the application of the methodology. Jointly with the Accreditation Panel, the Secretariat conducted online training for AEs, attended by 106 external participants. The Secretariat also continued to provide guidance to AEs on the re-accreditation process. First re-accreditation applications are planned to be presented for Board consideration at B.29.

85. To provide flexibility during the COVID-19 pandemic, the Board decided that on an extraordinary basis² 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 the AE. During the reporting period, the Secretariat has issued extensions to one AE following their request (in addition to three extensions previously issued in 2020).

86. Work on improving the transparency and efficiency of the accreditation process is under implementation through the new DAP and the GCF portals for NDAs and AEs. DAP has two modules available for use by the AEs (re-accreditation and the MAF), while the remaining modules are under final fine-tuning and are to be launched before the end of Q2, 2021. With the further development of the DAP the Secretariat will also put in place systems for tracking the 2021 Work Programme service standards for processing active accreditation applications.

² Decision B.26/01, paragraph (h), pursuant to decision B.24/13, paragraph (a).

87. Under the GCF MAF, addressing institutional requirements under the accreditation and re-accreditation process comprises annual self-assessments, a mid-term review and, if needed, ad hoc compliance reviews. AEs that are entering or are in the third year of their accreditation term are requested to complete the mid-term review. A total of 46 AEs were required to provide their annual self-assessment report for calendar year 2020 by 28 February 2021. Out of those, 34 AEs submitted the report by the deadline, 11 after the deadline and 1 AE is yet to submit. A further 13 AEs were required to undertake the mid-term review by the deadline of 28 February 2021. Out of those, six AEs submitted the review by the deadline and the remaining seven AEs after the deadline. The Secretariat and Accreditation Panel are in the process of reviewing the AE institutional-level compliance reports and will report to the Board on the outcomes of the review at B.30.

88. Additionally, IAEs are required to report on how they intend to or have supported potential subnational, national and regional entities to meet, at the earliest opportunity, the accreditation requirements of the GCF in order to enhance country ownership. For the 2020 reporting cycle, 33 IAEs were required to provide annual reports on these actions. Out of those, 21 provided the report by the deadline while the remaining 12 were submitted after the deadline, with some of the IAEs expanding the report to include the support they have provided to the existing DAEs. The Secretariat is in the process of reviewing the reports and will report to the Board on the outcomes at B.30.

89. Work towards the conclusion of AMAs saw three additional AEs (Banco Nacional de Desenvolvimento Econômico e Social, Camco Management Limited and Crédit Agricole Corporate and Investment Bank) signed during the reporting period, bringing the total number of signed AMAs to 88 (KPI 1.5). The AMA with Crédit Agricole Corporate and Investment Bank was signed after the major deviations from the template AMA were approved by the Board at B.28. Additionally, the Secretariat made four AMAs effective after the respective AEs (Bhutan Trust Fund for Environmental Conservation, Ministry of Water and Environment, Uganda, National Environment Management Authority of Kenya, and Trade and Development Bank of Mongolia) had submitted the necessary requirements, bringing the total number of AEs able to fully engage with GCF up to 77. As at 30 April 2021, a total of 11 AEs that have signed the AMAs and these are pending effectiveness, pending their submission of the relevant documents such as legal opinions (KPI 1.5).

90. The 15 pending AMAs that are still under negotiation are: 2 AMAs with private commercial banks (IAEs), 10 AMAs with DAEs and 3 AMAs with IAEs, as follows:

- (a) For the two commercial banks, challenges remain with regard 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 is being prepared for the Board's consideration in 2021;
- (b) Out of the 10 DAEs, one has reached agreement on the AMA text while one more is under negotiation about the AMA text. The other 8 AEs are in the process of negotiating their respective AMAs with the Secretariat; and
- (c) Out of the three IAEs, one has their AMA with major deviations from the current AMA template approved by the Board at B.28 and is pending execution, while one more has recently reached agreement on the AMA text. The remaining one AE is engaged in an organizational restructuring process with the aim to re-engage in the negotiation of GCF on the AMA over the course of 2021.

2.2 Project development and appraisal to build an impactful GCF portfolio

2.2.1. Focusing project development and appraisal on building a high-impact portfolio

91. At B.28, the Board approved 15 additional FPs, programming USD 1.2 billion in GCF resources (KPI 2.1). This is the largest approval of GCF resources at a single Board meeting to date, demonstrating that the Secretariat has the ability to programme USD 1 billion per Board meeting, on average. The pipeline is also moving forward, and the Secretariat has submitted FPs amounting to close to USD 900 million to the TAP for review in advance of B.29. Looking beyond B.29, pipeline development efforts are being managed in relation to the commitment authority available.

92. Approvals at B.28 also saw a new range of projects joining the GCF portfolio. These include a group of projects focused on ecosystems and nature-based solutions, such as the “River Restoration for Climate Change Adaptation (RIOS)” project in Mexico, the project on “Coastal Resilience to Climate Change in Cuba through Ecosystem-Based Adaptation” and a project on “Ecosystem-Based Adaptation and Mitigation in Botswana’s Communal Rangelands”. B.28 also saw the approval of “The Africa Integrated Climate Risk Management Programme: Building the resilience of smallholder farmers to climate change impacts in 7 Sahelian Countries of the Great Green Wall (GGW)” by International Fund for Agricultural Development, which blends the development of climate risk information with its use for climate-resilient agriculture and in the deployment of insurance. The Board also approved the first ever large programme on greening COVID response and recovery in the ASEAN region via ADB through the “ASEAN Catalytic Green Finance Facility (ACGF): Green Recovery Program”, as well as a large renewable energy risk mitigation programme in Africa through the “Sustainable Renewables Risk Mitigation Initiative (SRMI) Facility” with the World Bank, which will make public investments in solar and wind parks as well as grid upgrades to enable integration of renewables. It will also deploy de-risking instruments such as guarantee and reimbursable grants for investors in eligible on-grid and off-grid subprojects. It will also support evidence-based renewable energy targets through least-cost power generation, transmission and distribution planning and by maintaining robust procurement processes.

93. The Secretariat has also been assessing and reviewing its pipeline in line with the portfolio targets for GCF-1 set under the USP. Current pipeline observations include:

- (a) Overall mitigation projects and programmes request more funding volume in the near pipeline, especially from IAEs. Considering the current pipeline, meeting the 50:50 balance between mitigation and adaptation is a challenge starting at B.28 and the Secretariat is actively looking at opportunities to address this within 2021;
- (b) Similarly, while B.28 DAE project approvals were lower than at the end of 2020 (the DAE share of the portfolio grew from 11 per cent to 20 per cent in 2020, with 29 per cent of total 2020 approvals channelled through DAEs), there are opportunities for recalibrating the DAE pipeline from B.29 onward; and
- (c) Both approvals at B.28 and proposals towards B.29 indicate that future private sector programming requires an additional push to meet both the USP goals and the 2021 Work Programme targets.

94. On the basis of these observations, internal Secretariat portfolio modelling provided indicative programming directions for shaping the pipeline in the near and long term to meet the USP portfolio targets. To achieve these strategic objectives within its existing resourcing envelope and to ensure a balanced portfolio over time, the GCF will review and manage the FP pipeline periodically and advise NDAs and AEs on programming directions and opportunities, as follows:

- (a) Firstly, there is a need for concerted efforts towards increasing adaptation programming. This requires projects and programmes at greater scale, while maintaining a focus on the most vulnerable countries. While a significant share of grants would continue being utilized for adaptation, there is also a need to substantially scale up private sector programming for adaptation compared with the IRM;

- (b) Secondly, meeting DAE ambitions requires a substantial scaling up of direct access programming compared with the IRM (almost fourfold) in addition to encouraging a broader diversity of DAE projects and use of instruments; and
- (c) Finally, private sector programming requires an almost doubling compared with the IRM in nominal terms, focused on higher impact mitigation projects with high leveraging potential as well as an increase in private sector investments in adaptation.

95. The Secretariat is designing a series of short-, medium- and long-term measures to advance direct access, adaptation and private sector programming. In the short term, this implies giving priority to projects and programmes that address these portfolio needs. Additional dedicated programming plans include the following:

- (a) To support adaptation proposals, the Secretariat has been working with the World Meteorological Organization/Intergovernmental Panel on Climate Change and the Risk-informed Early Action Partnership to strengthen the capacity of countries and entities for accessing or establishing robust climate data at the project scale. This also includes mainstreaming impact-based and risk-informed approaches in project design and implementation to strengthen resilience of GCF projects in the eight results areas. Work planned over the course of 2021 to further align the review criteria of the Secretariat and the TAP is also expected to streamline the review of adaptation proposals into the future;
- (b) To support DAEs in developing CNs and enhancing their FPs, the Secretariat continues to provide technical assistance through the Readiness Programme. So far this year, five DAEs have been receiving such support from project development consultants. Technical assistance via firms has also been made available starting this year. The emerging DAE Action Plan (covered in section 2.1.3 above and annex I) is also expected to address the existing challenges to increased DAE programming; and
- (c) Aspirations to increase private sector programming will see an added focus on upscaling mobilization through the use of equity and may require both single and multi-country programmes.

2.2.2. **Strengthening the consistency and transparency of project appraisal and due diligence to assure project quality**

96. The Secretariat continued to evolve tools to support its review process and has begun implementation planning for the Board's adoption of the "Update on the operations of the independent Technical Advisory Panel" (decision B.28/03) which will align both the Secretariat and the TAP to a rolling review process.

97. The Secretariat has consulted with the TAP about the feasibility of introducing rolling reviews of FPs as envisioned in the above-mentioned Board decision. As the TAP was already engaged on reviews of FPs for B.29, rolling reviews will be carried out for proposals targeting B.30. As a result, the Secretariat will submit B.30 FPs to the TAP in three batches, with one in June and two in July 2021. The Secretariat and the TAP will review this pilot process in August 2021 to improve its efficiency and continue moving away from a batch system and to a more continuous flow of proposals to the TAP for review at regular intervals. The Secretariat has identified that moving to such a process may require the deployment of new systems, tools, forms and templates to more effectively manage and track critical reviews and appraisals and is conducting internal assessments to determine what will be needed.

98. Preliminary engagements with the TAP also focused on improving the consistency of the review criteria, with a first discussion on requirements for reviewing ecosystem-based adaptation programmes and ongoing regular discussions on the broader climate data requirements for adaptation projects. This will continue throughout the year to address all the applicable GCF review criteria.

99. During the reporting period, the Secretariat also completed the development of a project success rating tool and presented it to the Risk Management Committee, which noted that its previous feedback had been incorporated and cleared the tool. It will be used by the Secretariat at the appraisal stage and was first piloted for one FP targeted for B.29.

100. The Secretariat has also advanced work related to the investment criteria scorecard V2, which is used when reviewing FPs against the GCF investment criteria and was finalized in 2020 to elaborate on the review factors. In 2021 the Secretariat is developing two additional tools: (i) an additionality tool that uses some of the investment criteria scorecard indicators and provides a scale for assessing the additionality of GCF intervention in FPs; and (ii) a micro version of the investment criteria scorecard, which will support the review of CNs. Jointly, these review tools will support the Secretariat in conducting a consistent review of FPs across the project cycle, as well as helping with providing consistent feedback and guidance to AEs.

101. Finally, efforts towards finalizing the SOPs for operationalizing the AML/CFT Standards adopted by the Board in B.23 will help clarify and standardize due diligence efforts undertaken in review of FPs to assure that integrity concerns have been adequately addressed.

2.2.3. Advancing sectoral guidance

102. Leading to B.28, the Secretariat concluded a three-month long consultation for the first batch of sector guidance which was sent to AEs, NDAs, the Board, partners and observers. The first batch included two guides on “Cities, Buildings and Urban Systems” and “Agriculture and Food Security”. The Secretariat presented a summary of the comments received through the consultation process to the Board at B.28.³

103. Following the consultation process, inputs and comments are being consolidated and a response matrix is being prepared. In developing the response matrix the Secretariat will consider which comments fit technically within the version of the guides, or if these will be used in further elaboration of related annexes that can be developed later.

104. Immediately after B.28, three additional guides were released for consultation to the same stakeholders: “Forest and land use”, “Ecosystem and ecosystem services” and “Renewable energy” (KPI 2.3). Following the launch of the guides, two webinars were organized for each of the guides to support participation across regions. The webinars were conducted in English, with simultaneous interpretation made available in Spanish and French. A total of close to 500 participants attended the webinars from NDAs, AEs, observers, Board members and advisers and other GCF partners.

105. The remaining sector guides are under development to be released over the course of 2021 for consultation.

2.2.4. Scaling up the simplified approval process

106. The SAP pipeline continued to grow during the reporting period, signalling persistent interest from countries and AEs in having quicker access to funding for small-scale activities. At B.28 the Board approved four proposals under the SAP, amounting to USD 37.5 million in GCF financing. This brings the Secretariat on track to meet the low-end of the workplan of six SAP projects presented at the Board (KPI 2.1).

107. During the reporting period the Secretariat has extended technical assistance to two SAP projects, helping DAEs to submit projects to the GCF. Of the four approved projects at B.28 (two DAEs and two IAEs), three were from first time entities (two DAEs and one IAE).

108. The Secretariat continued its capacity-building efforts to help AEs and NDAs/focal points develop SAP proposals and participated in capacity-building and training events hosted by other international organizations. The Secretariat participated in a virtual side event hosted

³ “Report on the activities of the Secretariat”, document GCF/B.28/Inf.10, annex IV.

by the Asian Institute of Technology at the 7th Asia-Pacific Climate Change Adaptation Forum on how SAP can finance inclusive adaptation solutions. It also disseminated information on the SAP modality in the context of the Global Green Growth Institute Annual All Staff meeting, introducing the SAP modality to all the institute's country offices. The uptake and use of the SAP GCF e-learning modules in English, French, Spanish and Arabic has continued to grow and has now been taken by more than 1,300 people since launch.

109. Internally, the Secretariat started the development of the SAP appraisal toolkit which will standardize the review of SAP projects by both the Secretariat and the TAP. In parallel, as a move towards implementing the rolling review of SAP projects, an RFP has been published for recruiting external firms to support the Secretariat in its review of SAP proposals. While the procurement process is underway, additional capacity has already been operationalized through a senior external consultant. During the reporting period, the Secretariat also conducted a procurement process to find a vendor company to support the digitalization of the term-sheet generator system for SAP.

110. Finally, as mandated by decision B.25/08, the Secretariat drafted a policy paper on the further development of the SAP policy, which was shared for Board consultation from 25 January to 5 February 2021. During the consultation process the Secretariat received comments from 12 Board members/constituencies. The policy was further discussed during the Co-Chairs' consultation session on policies prior to B.28, receiving further input and guidance from the Board. The SAP policy was tabled at B.28 as an information document and during the session 11 comments, from 7 developing countries and 4 developed countries, were received. After B.28, the Secretariat continued its work to further evolve the policy on the basis of the comments received and is currently in the process of working with the Co-Chairs in the context of a consultation plan with the Board to conduct further consultation which can enable the revised SAP policy to be brought back for Board consideration.

2.2.5. Recalibrating programming under requests for proposals

111. Programming under the existing GCF RFPs remained uneven, a persisting trend over the past couple of years. In line with the 2020-2023 Board Work Plan and the 2021 policy agenda the Secretariat is working towards conducting an overall assessment of the performance and results of all GCF RFPs and the RFP modality. This will be elaborated over the course of 2021 and is notionally planned for the Board's consideration at B.30.

112. The review will build on Secretariat-led reviews of each of the four existing RFPs and will take into account the IEU's rapid assessment of the GCF RFP modality, which will examine the efficiency and effectiveness of the four pilots (MSME, EDA, MFS and REDD-plus) under the RFP programme. The Secretariat review will also take into account the outcomes of the Board's deliberations on the PSAA, because experience with current RFPs has flagged that PSAA is key for enabling a wider range of entities to engage with the GCF under RFPs.

113. The status of the individual RFPs is discussed below.

114. **Enhancing direct access:** As at 30 April 2021, the EDA pipeline consists of a total of 14 public sector proposals comprising 5 full FPs and 9 CNs submitted by the DAEs. The total GCF financing value of these 14 proposals is USD 281 million. There are currently three EDA proposals that could be progressed in 2021.

115. The Secretariat continued to develop EDA knowledge products and to conduct engagement with countries and AEs to support the submission of EDA proposals. The new Enhancing Direct Access Guidelines for EDA project development with the GCF were published on 18 January 2021. The publication of the EDA guidelines was announced at the two major events: the Global Gobeshona Conference 2021, organized by the International Centre for

Climate Change and Development, Bangladesh on 21 January 2021,⁴ and the 2021 Climate Adaptation Summit, an anchoring event on locally led adaptation hosted by the Netherlands on 26 January 2021. The EDA guidelines are available on the GCF website⁵ and were circulated to the NDAs and DAEs, as well as other partners. The EDA guidelines were translated into French and Spanish and the Secretariat is exploring the possibility to translate them into additional languages. All translated guidelines will be published on the GCF website.

116. The Secretariat also developed a new internal review checklist to facilitate the review of EDA proposals and enhance alignment with the new EDA guidelines.

117. **REDD-plus:** The funding allocation under the first phase of the REDD-plus results-based payments RFP was exhausted in 2020, with a second phase being designed in the context of the overall 2021 RFP review.

118. In developing the REDD-plus RFP for its second phase, Board members recommended that the Secretariat undertake a further analysis of alternatives for the continuation of the implementation of REDD-plus result-based payments, considering the lessons learned, and that the Secretariat's findings be presented to the Board once funds of the pilot programme were exhausted. Based on initial interviews conducted with Board members towards the end of 2020, the Secretariat prepared a document exploring possible scenarios. A virtual expert meeting was held on 4 and 6 May 2021 with Board members who expressed interest in the issue and nominated experts, as well as with active observers. It was noted that the findings of these discussions would benefit from additional inputs from developing countries' representatives because the majority of participants were from developed countries. During May and June 2021, the Secretariat will proceed with requesting further inputs from developing countries to add to the comments already provided during the expert meeting, and will produce an initial draft of the terms of reference for the continuation of REDD-plus results-based payments in the GCF.

119. **MFS:** With the approval of two MFS projects at B.27, the RFP had used USD 263 million of the USD 500 million allocated by the Board. No further MFS projects were brought forward at B.28 or are in the pipeline for the rest of the year. This is due to previous challenges related to many MFS proposals being submitted by entities that are not accredited and the lack of the PSAA, as well as difficulty in matching project proponents with AEs. This will be further explored in the context of the upcoming review.

120. **MSME:** No further progress has been made on approving additional MSME proposals. The three outstanding shortlisted proposals submitted previously under this RFP are under the same status as previously reported. Two have not been advanced by the respective AEs and remain inactive, while for the third one, the AE has limited accreditation scope.

2.2.6. **Strengthening engagement with the private sector and developing a private sector strategy**

121. Strengthening engagement between the GCF and the private sector included pipeline development efforts in light of the new USP programming ambitions; conducting private sector outreach to key stakeholders; and initial work towards developing a private sector strategy.

122. The Secretariat continued to engage with private sector AEs that have the capacity to develop an innovative pipeline of private investments and unlock finance at scale. This also included encouraging a broader use of risk mitigation instruments, particularly for adaptation projects. The result was an increased use of equity instruments under FPs approved at B.28, as well as a growing pipeline of equity- and guarantee-related projects focused on technology, e-mobility, and projects that target support for ocean-related adaptation or deploy guarantees for green bonds. Given the time required to fully structure more complex private sector projects, these are expected to mature over the course of 2021 and into 2022.

⁴ See <<https://www.greenclimate.fund/event/locally-led-climate-action-gcf-enhancing-direct-access-eda-pilot>>.

⁵ Available at <<https://www.greenclimate.fund/document/eda-guidelines>>.

123. Private sector engagement efforts included engaging with the Network for Greening the Financial System and GCF is seeking to upgrade its membership to become an Observer of the network, which will further its efforts to promote green finance policy development. Similarly, the Private Sector Facility is developing an initiative to encourage AEs and NDAs to adopt the recommendations from the Taskforce on Climate-related Financial Disclosures and Partnership for Carbon Accounting Financials, potentially through the Readiness Programme with development partners such as UNEP. The Private Sector Facility has also presented at events hosted by the Official Monetary and Financial Institutions Forum and will be participating in the upcoming Green Bank Design Summit hosted by the Rocky Mountain Institute and the Green Finance Institute where it will showcase work by the GCF in promoting the green bank model in developing countries.

124. The Secretariat is continuing to develop its approach for engaging with direct access, private and institutional investors and other private sector stakeholders at all levels and these efforts will inform the development of a private sector strategy. The private sector strategy will further define the actions needed to meet the USP ambitions and portfolio targets on private sector engagement as described in section 2.2.1. More specifically, it will set out a plan for building capacity for private sector engagement and deploying early-stage financing for innovation and blended finance for scaling up private investment. Dedicated focus will be placed on increasingly using blended finance for adaptation as well as deploying credit lines for MSMEs. It will also consider whether the partnerships, instruments and modalities of the Fund are fit for purpose to deliver these activities and outcomes and explore options around new private sector modalities such as supporting local currency lending, guarantees or early stage incubation. The private sector strategy is currently being developed for consideration by the Board at B.30.

2.2.7. Maintaining highest standards of integrity and safeguarding across the GCF portfolio

125. Under its portfolio-building activities the Secretariat continued to uphold the highest standards of integrity and safeguarding across operations through the ongoing operationalization of the AML-CFT Policy, the Compliance Risk Policy and the Gender, Indigenous Peoples and Environmental and Social policies.

126. Work towards advancing and implementing the GCF integrity and compliance policies included the following:

- (a) Ongoing engagement with the Independent Integrity Unit to finalize the SOPs to operationalize the AML/CFT Standards adopted by the Board in B.23. The approval and adoption of these SOPs will clarify and standardize the due diligence efforts to be undertaken with emphasis on review of funding to assure that ML/FT risks as well as integrity concerns will be adequately assessed and addressed;
- (b) Further operationalizing the Compliance Risk Policy through a further definition of the three levels of internal controls in the approval of funding and disbursements. Operational units have been provided with the tools to conduct United Nations Security Council preliminary financial sanctions screening with Dow Jones (Factiva), enabling those units to flag potential issues for further review by the Secretariat's compliance team. Basic and targeted AML/CFT training has been provided or made available for all staff of the GCF. Efforts have begun to undertake the first fund-wide Compliance Risk Assessment (for late 2021 to early 2022) and assessments are being undertaken to draw synergies from the Risk Control Self-Assessment (RCSA) preparation, which is ongoing. Finally, the identification, selection and procurement of a Compliance Management System is underway; and
- (c) Preparing the updates to the SEAH Policy for consultation with the Board and AEs prior to B.28 and for consideration during B.28. The policy was not opened during B.28. Following the Board meeting the revisions to the SEAH Policy were approved by the

Board through a decision taken between Board meetings, while the revisions to the Environmental and Social Policy were released for public consultation prior to their further development for B.29.

127. The Secretariat continued to undertake routine assessments of all FPs to ensure that they are compliant with the Environmental and Social Policy, the updated Gender Policy and the Indigenous Peoples Policy, as follows:

- (a) All FPs that go to the Board are evaluated in terms of their environmental and social risks and impacts. This evaluation is multi-faceted and includes an assessment of systems or plans to avoid, minimize or mitigate risk; and checks that stakeholders have been consulted in the development of FPs and are continually engaged during implementation. The Secretariat's work on reviewing the FPs also ensures that adequate institutional arrangements are in place to implement, monitor and continuously improve required management measures and procedures, including grievance redress mechanisms;
- (b) The process to develop the GCF environmental and social safeguards (ESS) Standards is ongoing, and the procurement of a consulting firm to support the Secretariat in this endeavour is in the final stage, with work expected to commence on the new standards in the coming weeks. The Secretariat also continues to review the implementation of activities through the APRs to ensure full adherence with environmental and social policies;
- (c) FP reviews against compliance with the Gender Policy focus on ensuring that all AEs have undertaken and submitted gender assessments and gender action plans. The gender action plans reflect and include activities that are based on the findings of the gender assessment, to ensure that gender equality and women's empowerment issues that are relevant to the sector can be achieved. The gender action plans contain gender responsive activities, targets and indicators as well as the required budget and expertise for implementation. Furthermore, the FPs and the gender assessments are reviewed to ensure that they (i) cover stakeholder consultations; (ii) have been developed to take into account local contexts and related inclusivity needs; (iii) include an assessment of the existence of enabling environments in countries to address gender issues; and (iv) provide transparency and access to project-level redress mechanisms. Programmes are evaluated to ensure that they submit gender action plans at both the programme level and the project level, through stakeholder consultations and field-level assessments;
- (d) The Secretariat also reviews national adaptation plans, country work programmes and EWPs, readiness and PPF proposals to ensure gender issues are mainstreamed. Support is also given to AEs on a case-by-case basis, to help them comply with the policy requirements, and the Secretariat has collaborated with other organizations and initiatives on gender, for example the Forum for Equality Generation, to further build capacity and disseminate information about the policy. The Gender Policy has also been translated into three languages to ensure wider outreach and understanding among GCF partners. Webinars and other activities have also been undertaken to familiarize stakeholders the updated Gender Policy internally and externally; and
- (e) FP reviews also check compliance with the Indigenous Peoples Policy, and the Secretariat has provided technical support to AEs to build their capacity for meeting the policy requirements. The APRs are also reviewed for compliance with the Indigenous Peoples Policy, as well as to capture any relevant good practices, including potential challenges. Progress on the establishment of the Indigenous Peoples Advisory Group (IPAG) has also been made, with terms of reference undergoing final revisions at the Secretariat level. In addition, the Secretariat has engaged regularly with indigenous peoples' organizations and attended relevant meetings to continue to build partnerships in this area.

2.3 Management of portfolio implementation for results and knowledge

2.3.1. Accelerating portfolio implementation

128. The first trimester of 2021 saw progress in both accelerating implementation through adaptive management and strengthening internal portfolio management systems, building on the measures put in place and results achieved in 2020.

129. As of 30 April 2021, 144 FAAs had been signed in total for the 173 FPs approved by the Board and 12 FAAs were signed during the reporting period (KPI 3.1), almost half of the total work programme for the year (24 FAAs). The 12 FAAs cover nine public sector projects and three private sector projects.⁶ Further details on the status of FAAs can be found in the related limited distribution document (see document GCF/B.29/Inf.07/Add.01).

130. The number of projects under implementation reached 126, which accounts for almost 73 per cent of the total portfolio, maintaining the trend of accelerating the portfolio's move towards implementation (KPI 3.2). Worth USD 5.5 billion in GCF funding, these projects are being implemented across 112 countries by 36 AEs. An additional 28–37 projects are expected to enter implementation by the end of 2021, which would lead to a total of 154–163 projects under implementation, or around 78 per cent of the anticipated portfolio by the end of 2021.

131. The Secretariat set its disbursement targets for 2021 based on project-level assessments carried internally by the portfolio management team as well as by AEs. The 2021 WP targets are quite conservative, as implementation challenges were expected due to the ongoing pandemic context. Due to the series of adaptive management activities initiated in 2020 and continued into 2021, implementation has advanced better than expected and the Secretariat expects to exceed the original disbursement targets.

132. Of the total amount of USD 5.5 billion in GCF funding for projects under implementation, 31 per cent has been disbursed, including full disbursement of approved funding for eight projects. This is an increase by 5 per cent relative to the rate as of the end of 2019 when disbursement amounted to 26 per cent of funding under implementation. The cumulative disbursement is expected to fall in the range of USD 2.2–2.7 billion by the end of 2021 (25–28 per cent of total approved funding, taking into account estimates of new funding approvals throughout 2021) (KPI 3.3), which is beyond the targeted range of USD 1.8–2.1 billion set out in the 2021 Work Programme.

133. Improvements are also visible in terms of the total volume of disbursement vis-à-vis the total value of the portfolio under implementation and the average implementation timeline. The average implementation duration of GCF's portfolio under implementation is 6.7 years, of which 1.9 years have passed. This average implementation duration is higher than that of comparable institutions. Due to this longer implementation timeline as well as delayed start-ups for several projects, the disbursement rate⁷ was lower than the average implementation maturity rate⁸ before 2020. This trend has been reversed thanks to the active monitoring of individual project circumstances and the adaptive measurements put in place. The total portfolio's average disbursement rate is now 32 per cent, which is 3 per cent greater than the average implementation maturity rate of 29 per cent. This signals healthy and improving disbursement levels compared with the total portfolio value and implementation duration.

⁶ The nine public sector projects for which FAAs have been executed during the reporting period are FP135, FP137, SAP014, FP155, FP159, FP160, FP163, SAP020, SAP022. The three private sector projects that have been executed are FP096, FP151, FP152.

⁷ The disbursement rate is calculated as the "disbursed amount"/"total approved amount for the projects under implementation" at a given reference time point (30 April 2021 for this report).

⁸ The implementation maturity rate is calculated as the "duration from the FAA effectiveness date"/"estimated project duration" at a given reference time point (30 April 2021 for this report).

2.3.2. Strengthening portfolio management and evolving adaptive management techniques

134. As mentioned in section 2.3.1. above, adaptive management practices enabled AEs to process disbursements and the Secretariat continued to engage with AEs on implementation. Dedicated attention was paid to processing such requests in parallel with active monitoring of individual project circumstances, project implementation timelines and disbursement schedules. There are an increasing number of projects requiring close monitoring or changes. As at 30 April 2021, the Secretariat received 54 requests for extensions of project completion dates and document submissions, and for project restructuring based on availability of loans, use of funds and commitment thresholds. Most of the justifications for these requests are related to the COVID-19 pandemic, because changes in government priorities result in changes to co-financing plans and timelines.

135. For private sector projects, adaptive management requests are aiming to primarily include more flexibility for programme or project execution. Such requests include, for example, (i) flexible limits for allocation of hard currencies; (ii) increases in existing caps to one type of hard currency; (iii) using local currencies in financial instruments; (iv) using credit risk enhancement via new guarantees; (v) securing reduced pricing (e.g. lower floor interest rate or lower commitment fees); and (vi) using a completely new financing window in a programme to allow inclusion of new financial institutions. It should be noted that the projects with most flagged risks are concentrated under the two AEs with the highest exposure to GCF funding (UNDP and European Bank for Reconstruction and Development), and most of the requests for extension of timelines and minor requests come from DAEs. The continued impact of COVID-19 has led to overall slower implementation due to (i) limited access to project sites due to travel restrictions; (ii) delayed and disrupted training events, workshops, pilot launches or advancement of feasibility and baseline studies; (iii) lower expenditure and lower disbursements due to delayed procurement; (iv) decreased loan demands; and (v) increased project management costs in an unstable market.

136. The Secretariat also continued to deploy climate-resilient recovery adaptive management responses for the management of readiness grants. There are continued requests for no-cost extensions as well as use of the contingency budget lines for the readiness grants. Communications are ongoing with AEs and delivery partners to assess and discuss adaptive management actions tailored to each proposal.

137. The first version of the PPMS component for funded activities was rolled out during this trimester, allowing AEs to submit reports such as the 2020 APRs and inception reports through the online platform (KPI 3.4). The system launch resulted in a more efficient and systematic internal review and clearance process for the 2020 APR submitted reports, facilitating a faster review and response time for both the Secretariat and AE reviews. In addition, preparatory work for additional components of the system is currently underway, including the development and operationalization of the integrated portfolio and risk management dashboards to help the Secretariat access integrated and accessible data from multiple Secretariat units in one place and make evidence-based portfolio management decisions.

2.3.3. Enhancing portfolio management for results

138. The Secretariat has continued to focus on strengthening results management by enhancing the quality at entry of FPs, CNs, readiness grant proposals and national adaptation plans. In support of that work, the Secretariat provided guidance to AEs, NDAs and development partners on the GCF results and performance management frameworks and GCF-level and project indicators, M&E methodologies and plans, building theories of change, developing logical frameworks, and GHG accounting methodologies. Technical guidance for building the M&E capacities of AEs, NDAs and development partners was also provided during the Caribbean Virtual Event held in March 2021, as well as in three sectoral guidance webinars.

139. A significant achievement during the reporting period was the adoption of the “Addressing gaps in the portfolio for measurement” (M&E Gaps) paper by the Board at B.28. Building on the assessment of the existing portfolio of approximately 100 projects, the paper proposes to provide a group of AEs with support for assessing and addressing results measurement gaps and risks. This will ensure greater confidence in GCF’s ability to measure the results of its IRM portfolio. The preparatory work for the implementation of the guidance received from the Board is currently underway with a view to reducing the impact measurement gaps and risks within the GCF portfolio. The Secretariat has already developed the budget for Phase I of the remedial measures and has submitted it for clearance by the Budget Committee. Following budget approval by the Board, the Secretariat will move forward with contracting a vendor to support its work on remedial activities.

140. Separately, the Secretariat is undertaking preparatory work for engaging with AEs to confirm and finalize the recalculated ex ante estimate of GHG emission reduction figures for a total of 63 projects approved at or prior to B.24. The Secretariat has worked to revise the mitigation impact of this group of proposals based on more consistent GHG accounting methodologies. The revised reduction, once confirmed by the relevant AEs, will be a testimony to confidence in the ability of GCF to adequately measure the mitigation impact of its investments.

141. Finally, the 2021 Work Programme set out a target for reviewing 100 interim progress reports and 25 completion reports for readiness, and 93 funded activity reports (KPI 3.5). Progress against this target as of 30 April 2021 is as follows:

- (a) For readiness grants, the Secretariat has reviewed 82 interim progress reports and 12 completion reports. Most of the reports reviewed include important lessons learned on adaptive management measures regarding the COVID-19 pandemic and forward-looking risk assessments on the project implementation in 2021. A key takeaway is that the COVID-19 blanket no-cost extensions granted in early 2020 were effective to allow delivery partners and countries to adapt to virtual working arrangements. Uncertainties associated with the COVID-19 pandemic persist and will require the ongoing monitoring of risks of further delays in activities and procurement; and
- (b) For Funded Activities, the Secretariat expects to exceed the original target of 93 APRs reviewed, as the number of approved projects under implementation grew to 116 at the beginning of 2021 (KPI 3.5). So far, 106 APRs have been submitted. Reviews have been completed for 5, with 101 under internal review. So far, 106 APRs have been submitted. Reviews have been completed for 5, with 101 under internal review. As described above in section 2.3.2, key challenges observed pertain to the negative impact of COVID-19 on project implementation, especially on the continued availability of co-financing. This has led to increases in requests for extension of the closing and completion dates for some projects. One lesson learned is that political factors play a big role in project implementation, speed and success, and there is a need for AEs to enhance engagement with national governments in order to assess political risks when setting project implementation timelines.

142. In parallel, the Secretariat advanced work towards the adoption and implementation of the Integrated Results Management Framework (KPI 3.4). Prior to B.28, the policy document was updated following over 15 bilateral consultations conducted with the Board. The policy was considered by the Board at B.28 but not concluded. The Secretariat is planning to engage in a series of Co-Chair co-facilitated consultation sessions with the Board in advance of B.29.

2.3.4. Harvesting, codification and dissemination of implementation lessons

143. The GCF business model relies on AEs for both pipeline development and implementation. Knowledge management is key to ensure GCF can feed lessons learned from past experiences into portfolio origination, development, appraisal, and implementation efforts throughout the entire programming lifecycle.

144. The Secretariat's knowledge management and portfolio management teams continued working on distilling lessons from the Readiness Programme (KPI 3.6). Work is in progress towards writing three country case studies, based on an extensive review of the data available from Readiness 1.0 Grants. The Secretariat is also developing a readiness knowledge bank as a source of information and data from Readiness Programme grants under implementation. This will then be used to produce knowledge products such as briefs, how-to guides and lessons learned. One recent milestone for the readiness knowledge bank is the completion of a survey of NDAs and development partners to ascertain their knowledge needs.

145. In parallel, the Secretariat is working on the review and improvement of the APR templates. The objective is to capture knowledge management activities and knowledge products, as well as having a better record of lessons learned and best practices. This will include guidelines on how to elaborate a knowledge management plan, to identify and describe knowledge management activities within a project and to support the achievement of the expected results.

2.4 Supporting the Board and helping to advance consolidation of policy and governance frameworks

2.4.1. Supporting informed Board decision-making

146. During the reporting period, the Secretariat supported the transition from the 2020 Co-Chairs to the 2021 Co-Chairs and supported the onboarding of the 2021 Co-Chairs. Notably, the Secretariat also supported the election of a new Co-Chair at the start of B.28. The Secretariat also supported planning and preparations for B.28 and B.29, including with respect to Board consultations on the policy and administrative matters under the 2021 Board Work Plan. Due to the circumstances related to COVID-19, this included regular coordination calls with the Co-Chairs and web-conferencing training for the Co-Chairs and their teams to prepare for virtual meetings.

147. The Secretariat also supported changes in Board membership using the newly implemented GCF onboarding platform and GCF User Management Portal. All changes in membership were informed to the Board. The Secretariat also supported the Board by responding to requests for information and other queries, which increased significantly in the last year. The Secretariat is thus working to put in place a system to ensure timely and predictable response to such requests. The approach will be communicated to the Board when finalized.

148. With Board meetings continuing in a virtual format, the Secretariat undertook a range of preparatory activities, including (i) regular coordination calls with the Co-Chairs; (ii) providing technical support to Board members to ensure their full participation in a virtual meeting; (iii) holding technical sessions on FPs, accreditations proposals, and other documents being considered at the meeting; and (iv) supporting the conduct and successful conclusion of B.28 using the Zoom web-conferencing platform. These activities also included supporting the preparation and issuance of Board meeting documents, implementing Board consultation processes between meetings, and post-meeting reporting. Additional details on the support provided by the Secretariat in the consultation processes can be found in section 2.4.2 below.

149. Following the publication of the first draft of the provisional agenda for B.28, 30 documents were published for Board consideration, of which 22 were led by the Secretariat. These included (i) funding, SAP and accreditation proposals; (ii) policy and strategy documents; and (iii) regular information reports. Seventy-three percent (8 out of 11) of Secretariat-led standard information and operational documents were transmitted to the Board at least 21 calendar days before the first day of the meeting scheduled (KPI 4.2). The remaining three were published later after ongoing discussions with the Co-Chairs. A discussion on the Secretariat-led policy documents is included in section 2.4.2 below.

150. At B.28, the Board took six decisions, which are captured in document GCF/B.28/21 titled “Decisions of the Board – twenty-eighth meeting of the Board, 16 – 19 March 2021”. These most notably include decisions related to the election of a new developing country Co-Chair, addressing gaps in the current portfolio for measurement, the adoption of updated independent TAP review procedures, substantive changes to AMAs, and the approval of FPs.

151. Nineteen draft decisions were presented to the Board for consideration as part of the provisional agenda for B.28. Of these, five decisions were taken. Factors contributing to the non-adoption of draft decisions may be, among others, the prolonged discussion on the meeting agenda, outstanding political issues on which the Board was unable to come to an agreement during the meeting, or insufficient consultation on agenda items prior to the meeting. The lack of in-person meetings may also reduce the ability of the Board to efficiently discuss matters due to differences in time zones, connection problems, and inadequate communication channels. Reducing such issues in decision-making may require more comprehensive discussions among the Board prior to the Board meeting with appropriate consultation modalities, making use of decisions proposed without a Board meeting, and continued technical support for Board members to aid their consideration of matters.

152. The Secretariat also transmitted proposed decisions without a Board meeting to the Board with the approval of the Co-Chairs. As part of this work, the Secretariat assisted the Co-Chairs with responding to questions from Board members in relation to the proposed decisions and supporting their discussions with Board members in cases where objections were received. The decisions without a Board meeting for the reporting period are covered in document GCF/B.28/Inf.01/Rev.01 titled “Board decisions proposed between the twenty-seventh and twenty-eighth meetings of the Board”, and document GCF/B.29/Inf.03 titled “Board decisions proposed between the twenty-eighth and twenty-ninth meetings of the Board”.

2.4.2. Supporting delivery of the GCF policy agenda

153. To support the Co-Chairs in the consideration of policy items, reviews and evaluations in 2021, the Secretariat worked internally to propose a policy agenda in line with the 2021 Board Work Plan. Based on the policy agenda, the Secretariat provided suggestions and clarifications to the Co-Chairs to support the sequencing of items over the following Board meetings, determining what kinds of consultations and engagements may be advisable given outstanding areas for discussion with a view to advance the papers towards consensus.

154. As at end of April 2021, the Secretariat had prepared 14 items for consideration by the Board, Co-Chairs or committees: four investment framework policies, which have remained under consideration by the Investment Committee since 2020; six drafts that were published for B.28 (“Addressing gaps in the portfolio for measurement”, “Evaluation Policy”, “Revised SEAH Policy”, “Update on the operations of the independent Technical Advisory Panel”, “Integrated Results Management Framework” and the “Update of the simplified approval process”); and four items led by Committees or the Co-Chairs (“Analysis of options to minimize currency fluctuations”, “Review of financial terms and conditions”, “Updated Accreditation Framework and PSAA” and the “Review of committees, panels and groups”). As at the end of the reporting period, the Secretariat had prepared 59 per cent of the Secretariat-led policies in the 2021 policy agenda under the Board 2021 Work Plan (KPI 4.1).

155. The Secretariat also supported and managed the Board consultations in advance of B.28 for the items under its mandate, including transmitting the consultation schedule and invitations to the Board, preparing documentation ahead of consultations and coordinating internally on document updates. Specific consultation modalities used include the following:

- (a) Bilateral engagements with Board members regarding the Integrated Results Management Framework (in January and February);

- (b) Technical sessions on the following policy matters: Addressing gaps in the current portfolio for measurement (4 February), Revised SEAH Policy (10 February) and Evaluation Policy (11 February);
- (c) Online commenting periods on the following policy documents: Revised SEAH Policy; Updated SAP programme; and Evaluation Policy; and
- (d) A Co-Chairs' consultation session on evaluations by the IEU (4 February).

156. The Secretariat was guided by the principles of ensuring symmetrical consultations with Board members from developing and developed countries, and to provide transparency to the consultation process. Various products were developed and made available to all Board members, including a consultation plan indicating items and modalities of consultation; matrices of comments received during the documentation review period; summary notes with the outcomes of bilateral consultations; recordings from technical sessions and notes from informal meetings prior to B.28. Following the consultation modalities and events, the Secretariat worked to integrate comments into the relevant documentation, with the aim of producing an agreeable text.

157. The frequency, intensity and deliverables of the consultations with the Board – particularly bilateral engagements – required additional effort from Secretariat staff to meet the volume of calls while working across different time zones. Consultations were useful to understand the positions of Board members on policy proposals and led to consensus and approval of a number of items, but not all. Maintaining a high-pace level of consultation may require additional Secretariat staff resourcing. Items where consensus cannot be generated through technical discussions alone would benefit from additional direct engagement between the Board constituencies.

158. Of the six Secretariat-led items, two were concluded by the Board during B.28 (Decisions B.28/02 and B.28/03). Through decision B.28/02 on “Addressing gaps in the portfolio for measurement”, the Board agreed a two-staged approach to introducing portfolio remedial measures in response to results measurement risks under the IRM portfolio, thus enhancing confidence in the GCF portfolio results. The second B.28/03 decision on the “Update on the operations of the independent Technical Advisory Panel” adopted new review procedures for the TAP, expanding GCF’s review and programming capacity.

159. Following B.28 the Secretariat also supported further consultations on outstanding items:

- (a) A Co-Chairs' consultation session (29 April) and subsequent comment period on the “Guidelines on decisions without a Board meeting” and the “Updated guidelines for the operation of Board committees”;
- (b) Technical sessions/expert meetings (4 and 6 May) on REDD-plus results-based payments; and
- (c) Planning bilateral engagements with Board members regarding the updated SAP over the course of May.

160. B.28 Secretariat-led policy proposals were elaborated following the internal policy cycle and quality standards developed in the context of the draft Policy Manual. The application of the process and standards is overseen by the internal Climate Policy Committee, which ensures a collaborative cross-Secretariat process towards developing robust high-quality policy proposals. The six items published for B.28 were in 83 per cent compliance with the Policy Manual requirements (KPI 4.3): all proposals followed the internal development and review process and had integrated impact assessments integrated and two papers had preliminary implementation plans.

161. During the reporting period the Secretariat also advanced work towards finalizing the Policy Manual through a series of internal consultations with primary Secretariat policy leads and focal points, managers and the Independent Units. The sessions covered the internal policy

cycle, the roles and responsibilities of policy leads and teams, and the guidance and quality standards for developing high-quality policy proposal. Following internal consultations, the Policy Manual is on track to be finalized internally in the second quarter of 2021.

2.4.3. Setting up implementation monitoring mechanisms

162. The 2021 Work Programme included a new goal of consolidating arrangements for policy implementation and monitoring (KPI 4.4). This was in recognition of the growing actions and mandates emerging from the Board's approval of new policies, as well as the challenges or delays that may hinder policy implementation. This priority reflects the need to move towards a more standardized approach to policy implementation and monitoring, as set out under the Policy Manual.

163. Work towards this goal began in 2021 with the adoption of two new policies at B.28, which are piloting the implementation processes under the Policy Manual and will serve to inform future policies during implementation. Details on the implementation of the two B.28 approved policies "Addressing gaps in the portfolio for measurement" and the "Update on the operations of the independent Technical Advisory Panel" are covered in sections 2.3.3 and 2.2.2 respectively.

2.4.4. Enhance accountability to the Conference of the Parties

164. In line with paragraph 4 of the Governing Instrument for the GCF, the governance arrangements of GCF make GCF accountable to and functioning under the guidance of the COP. For this reporting period, the Secretariat submitted to the GCF Board the "Ninth Report of the GCF to the Conference of the Parties to the United Nations Framework Convention on Climate Change", which was approved by decision B.BM-2021/05 (KPI 4.5). Subsequently, the GCF Secretariat submitted the Ninth Report to the UNFCCC Secretariat on 16 March 2021, which is posted on the UNFCCC website. The Secretariat has continued to engage with the UNFCCC process, constituted bodies and UNFCCC secretariat in virtual format, including to provide information to Parties on steps taken and progress towards addressing COP guidance. This engagement has created a new set of challenges as the Secretariat tries to engage in discussions in multiple time zones.

165. The Secretariat continued to take necessary measures to ensure GCF engagement in response to UNFCCC Parties in the lead-up to and during COP 26, in spite of challenges and uncertainty posed by COVID 19. The Secretariat maintained robust communication with the COP Presidency through in-person and virtual dialogues, including an in-person meeting with the COP 26 President, Mr. Alok Sharma, during his visit to Seoul; the Executive Director's virtual participation in the Climate and Development Ministerial Meeting hosted by the Government of the United Kingdom of Great Britain and Northern Ireland; and informal consultations organized between the working level units of the COP Presidency and the Secretariat. Additionally, the UNFCCC Executive Secretary and GCF Executive Director held a series of bilateral meetings to enhance collaboration between the two organizations and ensure the timely provision of information on the GCF response to the guidance of the COP.

166. The Secretariat continued to engage with the constituted bodies of the UNFCCC by, inter alia, attending meetings and consultations of the Technology Executive Committee (TEC), the Climate Technology Centre and Network Advisory Board (CTCN), the Least Developed Countries Expert Group, the Adaptation Committee, the Executive Committee of the Warsaw International Mechanism on Loss and Damage, and the Standing Committee on Finance. In addition, consistent with decision B.13/11 paragraph (a) and paragraph 70 of the Governing Instrument for the GCF, the Secretariat organized the fifth annual meeting with the leadership of the constituted bodies in a virtual setting in order to foster information sharing on the challenges posed by COVID-19, revise the ongoing collaboration, and explore new opportunities in light of respective mandates.

167. In addition, the Secretariat continued to strengthen the linkages between the Technology Mechanism and the GCF by engaging in various consultative processes of the CTCN and TEC, including the twenty-second meeting of TEC, the seventeenth CTCN Advisory Board meeting, and a joint panel discussion of TEC and CTCN. During these events, the Secretariat presented the GCF's progress on technology, including the readiness and preparatory support grants provided to technology investment, and informed TEC and CTCN of relevant aspects to technology in the GCF USP.

2.4.5. **Promoting institutional-level complementarity and coherence with other climate funds**

168. The Secretariat continues to lead the implementation of the operational framework on complementary and coherence focusing on the collaboration with the Global Environment Facility (GEF), including the Least Developed Countries Fund and Special Climate Change Fund, the Climate Investment Funds (CIFs) and the Adaptation Fund (AF), as well as with the NAMA Facility. The Secretariat continues to explore options for complementarity and coherence with other actors within the international climate finance architecture landscape. While most aspects of the collaboration have continued, there are many aspects of the engagement with climate funds that have been challenged due to the COVID restrictions, such as the ability to engage in programming conversations with countries, including in knowledge-sharing activities.

169. An internal analysis of the GCF pipeline of projects including CNs and FPs under development demonstrates a growing number of project ideas with complementarity and coherence with other climate funds. Some of these are reflected as project ideas that build upon projects previously financed by other climate funds and/or present synergies that consider lessons learned from similar projects (with the same geographic or sectoral focus). So far, 43 of GCF's total 173 projects build on initial work carried out by other climate funds or embed aspects of complementarity and coherence. The Secretariat works with AEs and developing countries to reinforce complementarity and coherence by revising and advising their EWP and country work programmes, respectively.

170. As part of the collaboration with other climate funds, and as noted in the previous "Report on the activities of the Secretariat" at B.28, the heads of the GCF, GEF, AF and CIFs agreed on an updated road map with seven joint activities on four pillar areas: (i) harmonization of indicators; (ii) programming, scaling up and blended finance; (iii) knowledge management and capacity-building; and (iv) communications and outreach.

171. The climate funds continue to exchange information via a series of structured and moderated webinars taking place during 2021 aiming to understand common areas for harmonization of indicators. Internally called "Climate Funds Collaboration Platform on Results, Indicators and Methodologies for measuring impact that includes", GCF, GEF, AF, CIFs and NAMA Facility have organized two workshops in 2021, that will help teams to start understanding and identifying the synergies and challenges on M&E across portfolios. These fund-to-fund virtual workshops will continue through 2021.

172. The discussions on scaling up with the AF now include options to promote the GCF's dedicated access window for EDA. Programming conversations with the CIFs continue to explore opportunities for common programming pathways, while they are concluding work for launching new calls for projects.

173. Furthermore, the GCF Executive Director and the GEF CEO jointly developed a document laying out a vision for long-term cooperation, building on the Pilot Coordinated Engagement exercise the GCF and GEF have been carrying out since 2018. The effort further defines specific areas of cooperation where complementarity of action might be most efficient and effective, in addition to possible modalities for generating long-lasting outcomes and outputs in climate change adaptation and mitigation. This initiative intends to further enhance the role expected of the GCF as an operating entity of the UNFCCC Financial Mechanism, building on the GCF Operational Framework on Complementarity and Coherence, as also envisioned in the USP. The

document “Towards a long-term vision on complementarity, coherence and collaboration between the secretariats of GEF and GCF” is available in annex II to this report.

2.5 Facilitating access and accelerating implementation by improving process efficiency, effectiveness, transparency and speed of delivery

2.5.1. Improving process efficiency and effectiveness

174. Substantial progress was made in 2020 towards finalizing a set of key manuals for guiding and standardizing the Secretariat’s operations. These are now being fully operationalized and additional tools are being developed to supplement their use and implementation.

175. Since the finalization of the Programming and Operations Manuals in 2020, the processes in the manuals are becoming better understood and more routine for both the AEs and the Secretariat with each Board cycle. Three key changes to internal procedures under the manuals are as follows: (i) more thorough and consistent assessment of the climate impact potential of each proposal; (ii) greater integration of review inputs from interdivisional project teams; and (iii) the introduction of an independent appraisal prior to the third meeting of the Climate Investment Committee (CIC3). In the first four months of 2021, 73 per cent of the proposals submitted to CIC2 included a climate impact assessment produced by the Secretariat’s climate science network, and 56 per cent of proposals submitted to CIC3 had held an interdivisional kick-off meeting to promote greater collaboration among the IPT (KPI 5.2). An independent appraisal was also piloted for a select few B.29 proposals, which generated several valuable lessons about the timing and scope of appraisals. These lessons will result in some modifications to the appraisal process to increase its value added, and the lessons will eventually be incorporated into an Appraisal Manual currently under development.

176. Building on the revised Corporate Procurement Guidelines, which came into effect in August 2020, a Procurement Manual is being developed to enhance transparency, stewardship, corporate procurement planning, and fairness in the way procurement is undertaken at GCF. The Procurement Manual is under review and consultations were carried out internally over January and February 2021. Additionally, 2 out of the 10 envisaged Long-Term Agreements (LTAs) were concluded in the first quarter of 2021. The LTAs will increase the efficiency of procurement procedures while reducing transaction costs and achieving economies of scale for recurring services required. During the reporting period two contracts were awarded in line with the sustainable procurement practices under the Procurement Guidelines. In parallel, the Secretariat is working towards introducing enhanced due diligence processes for all procurement activities, which will include strengthened vendor background checks prior to contract award.

177. The Secretariat also concluded the GCF’s first Finance Manual in January 2021, which will help guide the orderly and efficient management of GCF financial resources, while ensuring accountability and appropriate reporting to different stakeholders. The Secretariat also prepared the draft 2020 financial statements, and an external audit is ongoing and expected to conclude in May. Given the growing complexity of the GCF financial statements, the finance unit sought the help of a leading accounting advisory firm to identify gaps in the organization’s financial reporting practices and to recommend improvements towards alignment with international best practices for corporate reporting. The exercise follows a recommendation from the previous and existing auditors for an independent review of technical accounting matters relating to GCF financial statements. The advice from the accounting firm will inform required changes to existing policies and manuals.

2.5.2. Applying service standards to key client-facing processes

178. A novel feature under the 2021 Work Programme has been the introduction of a target on reviewing requests received by the Secretariat within agreed service standards (KPI 5.1), which is also in line with the goals of the USP.
179. Progress against this goal is as follows:
- (a) **Accreditation:** The Secretariat has been working on improving the efficiency of Stage I reviews, as well as streamlining Stage I reviews by the Secretariat and Stage II (step 1) reviews by the Accreditation Panel by developing a consolidated checklist for the two sets of Stage I reviewers and facilitating regular meetings between Stage I reviewers and the Accreditation Panel, as well as between applicant and Stage I reviewers. Progress and tracking against this target (first response within 105 days for 75 per cent of applicants) has been slowed down by the need to focus resources on finalizing the DAP and running the re-accreditation process, and is expected to significantly improve with full operationalization of DAP in the third quarter of 2021;
 - (b) **Readiness:** For regular readiness proposals submitted between January and April 2021, the Secretariat provided feedback to NDAs and deliver partners within the service standard of 35 days for 50 per cent of proposals. For adaptation planning proposals feedback within the service turnaround time of 45 days was provided for 82 per cent of the proposals;
 - (c) **PPF:** All PPF applications submitted or resubmitted over the reporting period following CIC endorsement of their associated CN received the Secretariat's feedback within 21 days, exceeding the target of 80 per cent. The Secretariat continued to build on lessons learned and best practices to increase the efficiency of the review process and ensure a timely feedback delivery;
 - (d) **CN and FP review:** During the reporting period the Secretariat has reviewed and provided feedback to AEs within the standard turnaround time (30 for CNs and 75 days for FPs) for 63 per cent of the new CNs and FPs, excluding SAP proposals; and
 - (e) **SAP, CN and FP feedback:** During the reporting period, the Secretariat has reviewed and provided feedback to AEs for SAP projects within the standard turnaround (21 days for CNs and 30 days for FPs) for 22 per cent of the new CNs and FPs. This is largely because SAP proposals require almost as much review time as regular FPs.

2.5.3. Advancing GCF's digital agenda

180. Process efficiency and effectiveness efforts continued to be supported by the implementation of the 2020-2023 Digital Agenda which seeks to strengthen the GCF digital workplace, digitalize business operations, enable a data driven GCF, and digitalize collaboration and engagement (KPI 5.3).

181. The GCF HR management system was extended with the delivery of the internship module, digitalizing the internship recruitment processes, and staff benefits-related processes were automated using existing platforms and tools. As part of the efforts to reduce "wet signatures", the entire GCF workforce was equipped with software to create their own digital approval workflows in areas not covered by platforms, strengthening the business continuity capabilities of the GCF. Additionally, the Secretariat's correspondence management system has been further developed with additional modules, digitalizing customer relationship management-related processes of the Secretariat.

182. The GCF Financial Management Suite assessment phase also saw significant progress, finalizing an understanding of GCF business needs. At the same time, the DAP continued to deliver additional modules such as pre-accreditation, accreditation, upgrade, condition, entity information management and refined re-accreditation process releases. The TAP tracking system to support TAP members with project reviews is currently being tested and expected to

be released in the upcoming months. More Board-facing services were also digitalized, streamlining the onboarding process and automating access to GCF applications and services.

183. The Secretariat also continued to deliver new enhancements to the existing solutions for remote working modalities.

2.5.4. Implementing and reviewing the Information Disclosure Policy

184. In implementing the Information Disclosure Policy, the Secretariat continued to review forms submitted by AEs covering their disclosure of ESS reports for FPs for the Board's consideration. The Secretariat facilitated the timely disclosure of such forms to the Board members, active observers and to the public through the GCF website. The Secretariat also reviewed a form submitted by an AE covering their disclosure of ESS reports at the subproject level. During the reporting period, 11 forms were circulated to the Board and active observers in advance of a Board meeting and one form related to subproject activities was circulated post-approval.

185. The Secretariat also continued to receive and respond to a high volume of requests for disclosure of information. No appeals were notified to the Secretariat during the reporting period.

186. The Secretariat has progressed in its review of the Information Disclosure Policy, with a view to presenting to the Ethics and Audit Committee by mid-2021 the policy implementation issues and proposed policy changes including a recommended policy text. This will take into account new information access standards or policies developed and implemented by peer institutions and partners regarding the range of their activities and stakeholder inputs. A consultation draft is expected to be issued for stakeholder inputs in 2021.

2.5.5. Promoting participation of observers and civil society organizations

187. The Board approved through a decision in between meetings (B.BM-2021/01) the accreditation of five applicant organizations as part of the twenty-second round of applications for the accreditation of observer organizations from civil society, the private sector and international entities. The Secretariat thereafter opened the twenty-third round of applications, which concluded with the Board's approval of the accreditation of four applicants. The Secretariat recently opened the twenty-fourth round of observer accreditation and it will review the applications and propose a decision with the aim of concluding the round before the start of B.29.

188. The Secretariat also met with the civil society observers on the margins of B.28 to discuss their questions and concerns.

189. The Secretariat issued a public call for inputs and directly sought views from the active observers and focal points of accredited observer organizations regarding the proposed revisions to the Environmental and Social Policy. To reaffirm the GCF commitments to addressing SEAH, the proposed revisions were made to address SEAH matters at the project level while the rest of the provisions in the Environmental and Social Policy remain relatively unchanged. Further details are stated in the call for inputs is available on the GCF website.⁹

190. Due to an adjustment in the Board 2021 Work Plan approved at B.28, the proposed revisions to the guidelines relating to the observer participation, accreditation of observer organizations and participation of active observers are proposed to be considered by the Board in 2022. To ensure that this is informed by most recent lessons learned, stakeholder inputs and best practices, the Secretariat will continue the review in 2022.

⁹ See <<https://www.greenclimate.fund/sites/default/files/document/call-public-inputs-esp-15-april-2021.pdf>>.

2.5.6. Reviewing operational bottlenecks

191. The adoption of the USP also saw a series of new institutional mandates being layered on to the existing institutional goals under the 2021 Work Programme. In particular, the USP asked for an assessment of the existing institutional and operational capacity of the GCF to deliver against the USP goals. To support this, the Secretariat has been asked to undertake the following:

- (a) Review its capabilities to deliver increased programming (regular and SAP projects) and implementation over 2020-23 in line with the USP (paragraph 32(d));
- (b) Identify operational bottlenecks and examine the most effective ways to address these to speed up access, including through improved productivity, effective resourcing and/or further streamlining programming approval and Secretariat implementation processes, modalities and timelines (paragraph 29(c)); and
- (c) Undertake a cost-benefit assessment of needs and options for establishing a GCF regional presence, looking at specific operational bottlenecks, capacity gaps and experience with pilots to date (paragraph 32(h)).

192. The Secretariat launched a RFP to secure an external firm to support the delivery of these mandates in December 2020 through an overall capability review and contracted a vendor in January 2021. The Secretariat has been working closely with the vendor throughout the first trimester of 2021 with a view to present a proposal to the Board at B.29.

2.6 Fostering a high-performance collaborative culture and consolidating institutional capacities and oversight

2.6.1. Ensuring business continuity and staff safety

193. During the reporting period, the Secretariat further institutionalized the GCF approach to business continuity and resiliency in response to the continuing and ever-changing pandemic environment (KPI 6.1). The following activities have been initiated based on lessons learned from the Secretariat's initial response to the pandemic. With the emergence of new variants of COVID-19, uneven roll-out of vaccines and rapid changes in Covid-19 rules in each country, there is a persisting need to shift towards a "new normal" in working modalities.

194. **Planning for business continuity:** To support a review of lessons learned from GCF's initial response to COVID-19, the Secretariat commissioned an independent study on the Secretariat's actions taken from the onset of the pandemic to ensure personnel safety as well as continuity of the activities of the GCF. The findings of the study is consistent with the results of a first staff survey carried in April 2020, which showed general staff appreciation for GCF's response. Early adoption of Special Flexible Working Arrangements (SFWA) allowed staff to live through the initial difficult weeks in the places of their choice, generally close to their extended families. Digital transformation went through an exponential acceleration, allowing staff to continue servicing countries and partners in a virtual setting. This also enabled the holding of virtual Board Meetings and ensure that GCF could continue allocating resources at a critical moment to foster a climate-resilient recovery in developing countries. Counselling services and a number of tailored staff well-being initiatives absorbed some of the emotional stress of staff, who performed well and met or exceeded most 2020 corporate objectives despite the tragedies and hardship of the Covid-19 pandemic.

195. The study also recommended several measures to further improve any future crisis responses:

- (a) To improve **crisis governance**, the GCF should better define the statutory accountabilities and financial authority of the Executive Director so that the ED has both the authority and accountability to ensure staff safety, security and continuity of

operations in times of crisis. Similarly, the role, functions and composition of the Crisis Management Committee should be clarified.

- (b) To strengthen measures **affecting staff well-being and security**, key recommendations include defining rules and risk management protocols applying to emergencies and setting up a clear system to grant and maintain remote work.
- (c) To update **the Business Continuity Plan**, which did not include a pandemic scenario and to ultimately convert this BCP into a full institutional resilience plan.
- (d) To strengthen the **GCF capacity to manage emergencies** through the recruitment of a senior security officer and standing contractual arrangements to access medical expertise and support.

196. These findings and recommendations are being incorporated into the Business Continuity Plan, the Emergency Management Manual and the ICT Disaster Recovery Plan. Additional scenarios, including pandemic scenarios, have also been added to ensure a robust plan that could be followed in the event of a disruption in future.

197. **Ensuring personal safety and duty of care:** The impact of the pandemic has underscored the need to incorporate the understanding and importance of having a culture of safety throughout the organization. With that in mind, a new role of a Corporate Security Senior Specialist was created to help develop and maintain the Business Continuity Plan, to roll out staff training and to ensure the ongoing testing of ICT infrastructure and mass communications. The Secretariat has also expanded the contract with International SOS to include consultation services on an as-needed basis to support emergency services, medical-based advice and extending care to staff in Korea in addition to existing services. Additionally, to ensure efficient and timely mass communication, the Secretariat has established a relationship with Everbridge, one of the largest mass communication firms globally, to ensure personnel are updated quickly with necessary information and that GCF can account for their safety during a disruption event.

198. **Creating a safe and efficient working environment:** The Secretariat has finalised updating the Headquarter Supplementary Agreement with Incheon Municipal City to provide additional space in buildings separate from its current headquarter office at G-Tower. The space has been in use since 2020 and the new Agreement is expected to formalize the arrangement. This will act a backup space should G-Tower not be accessible, as experienced during the pandemic. The contingency space is in addition to the now established remote working capabilities, which continue to offer working flexibility to staff.

2.6.2. **Enhancing staff capacity and building a value-based and respectful organizational culture**

199. **Aligning capacity to USP resourcing needs**

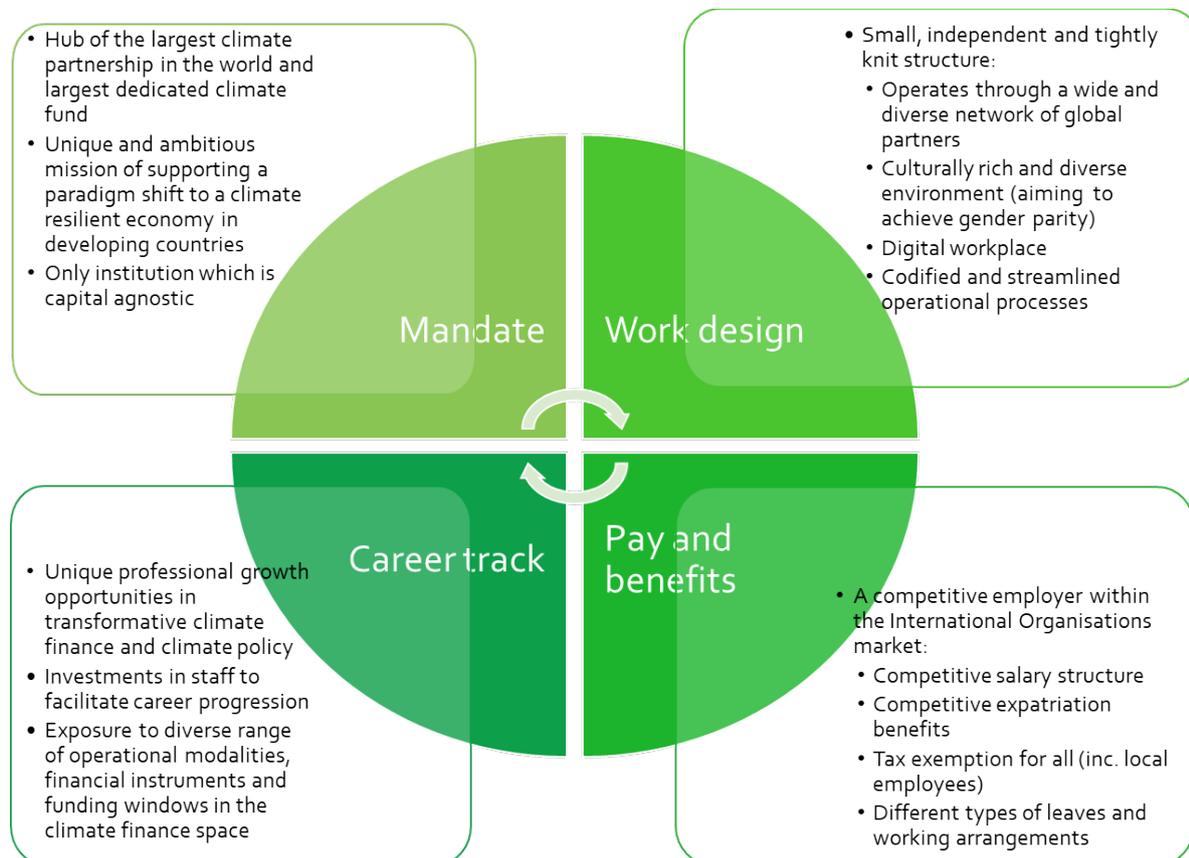
200. As described in section 2.5.6 the Secretariat initiated a capability review to assess the institutional and capacity needs for delivering on the USP mandate, targets and priorities. The review is to conduct an in-depth analysis of the related staffing requirements across GCF's key business processes and the findings and recommendations will be presented for the Board's consideration **at B.29** under document GCF/B.29/05 titled "Review of Secretariat capabilities to deliver the updated Strategic Plan for 2020 – 2023".

201. **Investing in people**

202. GCF provides a unique opportunity to be part of the design and implementation of transformational projects and policies to combat climate change, save and improve the lives of people in developing countries around the world. This inspiring mandate requires technical expertise in numerous fields, including climate science, climate finance and sectoral knowledge, as well as skills in innovative thinking and collaboration. GCF attracts and nurtures people from all around the globe with many different backgrounds and they are exposed to a variety of partners in the public, private and civil society sectors, operating at the national, regional or

global level. The Secretariat values productivity and impact in climate action, innovation and responsiveness, trust and respect. The Secretariat seeks to empower its staff to decide the path for their development, invests in staff choices and provides a competitive pay and benefits package within the international organizations market. An overview of the GCF value proposition is provided in figure 1 below.

Figure 1: The GCF employee value proposition



203. The ambition of the GCF is to be an organization its staff are proud of, able to attract, nurture, retain and deploy the diverse and talented people needed to deliver the ambitions and goals for GCF-1 and beyond.

204. In order to achieve this ambition and deliver its employee value proposition, the Secretariat developed the GCF People Plan. This plan encompasses the efforts of the leadership and management of the Secretariat towards the changes needed in terms of people management and organizational design practices. Quarterly reports of progress are shared with the staff through our intranet and all staff meetings. Annex III includes a progress report as of 30 April 2021.

205. Recruitment and onboarding of staff are key processes to achieve the goals of the GCF People Plan and progress was made towards continuously improving these processes. By April 30th, the overall fill ratio is 82 per cent, with 77.3 per cent in the programming areas. The target at the end of the year is 90 per cent (achieving a 100% fill ratio would require to regularly exceed to 250 staff cap to factor in the 10-15% turn-over rate), which will require a substantive effort in the persisting context of the Covid-19 pandemic. It is important to note that as at the end of the reporting period there are eight new staff that have accepted GCF's offer and will join in the Q2 and Q3 of 2021. The improvement of the recruitment process has resulted in a 26 per cent reduction in the average time to fill a vacancy. During the period of reporting 17 positions have been filled, including the Deputy General Counsel and Climate Science Lead. One role was filled under secondment. The gender and geographical classification in the Secretariat as of 30

April 2021 is shown in table 4 below. The output in this KPI will also depend on the turnover rate for the year. The target for the overall turnover rate for the Secretariat in 2021 is between 10 and 20 per cent in line with comparator organizations. As of 30 April, the year-to-date turnover is 2 per cent. However, it is important to note that over 20% of staff contracts are expiring in 2021.

206. Based on the current pace of recruitment the Secretariat expects an additional 3, 16 and 19 staff to join in Q2, Q3 and Q4 respectively. Considering the expected turnover rate for the remainder of the year, the Secretariat expects to achieve the targeted fill ratio of 90% - 225 staff- by year end.

Table 4: Staffing status as at 30 April 2021

Staff (Total)	Gender		Geographical classification	
	Female	Male	Developing	Developed
IS (169)	67	102	114	55
	40%	60%	67%	33%
AS (39)	26	13	33	6
	67%	33%	85%	15%
All Staff (208)	93	115	147	61
	45%	55%	71%	29%

207. To reflect the identity and characteristics of GCF and ensure its capacity to attract and retain the profiles required to fulfill the mandate of GCF-1, the Secretariat conducted a salary survey. The survey will facilitate an understanding of the positioning of the GCF compared with the relevant market for IS (global and regional comparators) and AS staff (local comparators). This market study was completed during the reporting period and the recommendation for adjustments are being prepared for the Board's consideration at B.30, together with the HR legal framework. The study also confirmed previous findings that GCF faces challenges regarding how staff are distributed across the levels of the salary structure, showing a bottom-heavy structure that is not compatible with a second-level institution. This will be factored in the staff build-up recommended in the Capability Review. The Secretariat has also observed some changes in the local housing market in Korea, which might require a review of the related benefits and support to the staff, in order to avoid losing talent or jeopardizing our employment offer.

208. In 2020, the Secretariat introduced a new approach in corporate planning to foster alignment of individual performance to the Strategic Goals. This alignment is achieved by connecting the divisional programmes and KPIs to the corporate work programme and KPIs, as well as by aligning the individual performance objectives and success measures to the divisional workplans and KPIs. The approval of the USP at B.27 required a realignment of the divisional workplans and budgets and hence, individual performance planning was slightly delayed and is to be concluded by the end of May. The approach was explained during two webinars where 87 per cent of the staff actively participated.

209. Ensuring a respectful work environment and value-based organizational culture

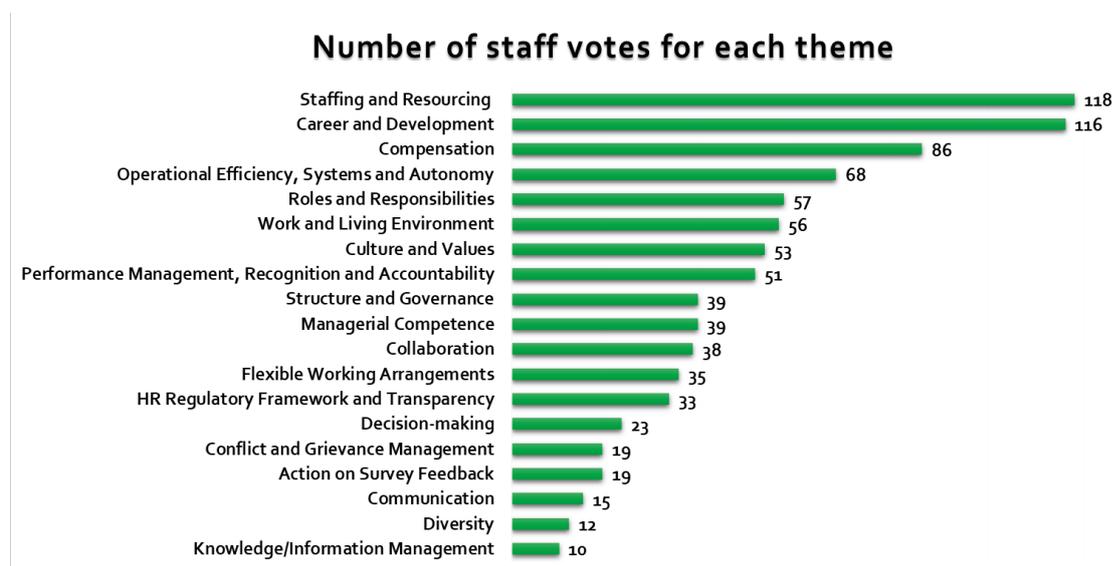
210. In November 2020, GCF launched the 2020 Engagement Survey. Efforts were made to significantly improve the 2020 survey tool, which contained 71 questions (compared with 49 questions in 2019), including 30 questions to deliberately probe pain points that came from staff through the Safe Spaces meetings held through the year. Questions in the 2020 tool were also developed and grouped to improve alignment with the People Plan. The survey concluded

in January 2021 with a high level of participation at 84 per cent (including staff, consultants and interns).

211. The results highlighted areas where staff felt favourably engaged, notably related to the relationship of the staff with the first level supervisor as well as an appreciation and alignment to the corporate culture and values. The results also highlighted important areas of improvement, notably with regard to the perception of the SMT (as a team) and the importance of the organization taking action in response to feedback from the survey. Over 1,300 comments were received, which provided rich feedback on staff experiences, concerns and suggestions for improvement.

212. In order to ensure that management undertakes the right actions to respond to the concerns raised in the engagement survey, a follow-up survey was held which asked staff to identify the priority action areas. The top 5 priority action areas identified were: staffing and resourcing; career development; compensation; operational efficiency, systems and autonomy; and roles and responsibilities. The full results of the follow-up survey are displayed in Figure 2 below.

Figure 2: Results of the follow-up survey to the 2020 Staff Engagement Survey



213. Notably, under staffing and resourcing, the Secretariat is undertaking the capability review study as requested by the USP to identify the capacity needed to deliver on the ambitions of GCF-1, which will be submitted to B.30 for consideration together with the adjustment of the salary scales as mentioned above. The SMT has also developed an action plan that addresses the concerns expressed by the staff through the engagement survey which is periodically reviewed and updated. As part of this plan and following the recommendation of the Personnel Council, the SMT charter and its KPIs were mapped to the GCF Core Values in order to increase alignment of behaviours and reporting of progress in this area.

214. The actions to follow up from the engagement survey will become part of a corporate plan. In addition, external facilitators will hold follow-up discussions with each division to develop division specific action plans.

215. In terms of career development, the Secretariat is further developing its Talent Management Strategy to provide unique professional growth opportunities in transformative climate finance and to facilitate long-term career development within the industry. In terms of operational efficiency, systems and autonomy, the Secretariat continues to develop and implement its suit of manuals (Programming Manual, Operations Manual, Procurement Manual, Finance Manual, Policy Manual, Appraisal Manual) and implement its Digital Agenda to automate systems and processes. Finally, in terms of roles and responsibilities, the Secretariat continues to standardize job descriptions and strengthen its vertical alignment to create clarity

for staff on how their objectives contribute to the objectives of the divisions and the organization.

216. An important area of action is to constantly develop our skills in people management. In late 2020 the Secretariat introduced the first 360-degree assessment for senior managers; 11 managers went through this exercise in order to identify strengths as well as potential areas for development. During the reporting period a similar exercise was undertaken with 17 middle managers. These results will also be helpful to set performance targets and development plans in the context of the 2021 staff performance management and development systems and to inform the corporate training and development plan.

217. As part of the operationalization efforts of the SEAH Policy, the Secretariat is engaged in the development of an e-learning training that is expected to be rolled out in the second semester of 2021.

218. **Improving internal grievance mechanisms**

219. To further foster a safe and respectful working environment, the Secretariat has concluded the review of the Grievance Architecture. As a result, a new Handbook was issued including all the comments provided by all the channels/actors and all the staff of the Secretariat and the Independent Units, through an extensive consultation process. A webinar to clarify and answer questions was also held during the reporting period.

220. As part of this initiative, it was also seen as a priority to strengthen the staff's skills on conflict resolution. For this purpose, a corporate-wide training led by the Ombudsperson was initiated early in the year with the SMT and the Heads of Independent Units and middle managers and it is currently being rolled out to all staff. By 30 April approximately 34 per cent of the staff had participated in the training. As a result of the full operationalization of the role of the Ombudsperson and extended access to informal resolution avenues, 16 out of the 17 dispute cases opened in 2021 have already been closed, with no new cases deferred to the Independent Integrity Unit (IIU). Majority of cases were opened following the conflict management training, as is usually the case when staff become aware of informal avenues for conflict resolution.

2.6.3. **Concluding arrangements for privileges and immunities**

221. During the reporting period and building on the work done in 2020 to support the engagement mandated by COP 25 between the COP President and the United Nations Secretary General, the Secretariat has continued its work 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, the Secretariat has completed its assessment of the most appropriate form of linkage/relationship between the GCF and the United Nations to achieve these objectives and has set out its recommendation in this regard (namely, to seek specialized agency status for the GCF) for the Board's endorsement in the "Fourth Biennial Report on the Privileges and Immunities of the Green Climate Fund".¹⁰ Upon the Board's endorsement, such report will be sent to the COP.

222. The Secretariat has also continued its pursuit of finalizing bilateral privileges and immunities agreements with countries. As of 30 April 2021, the Secretariat had sent draft agreements on the GCF privileges and immunities to 141 countries. However, no new agreements have been signed during the reporting period, and so the total number of signed bilateral privileges and immunities agreements remains at 27 (KPI 6.6). Progress has remained slow, particularly considering the ongoing pandemic situation, as well as the lack of incentives for countries to conclude such agreements with GCF. Given these constraints, it is not expected that significant progress on this matter will be made during the remainder of 2021 based on bilateral engagements.

¹⁰ See document GCF/B.29/03.

223. As of 30 April 2021, the GCF portfolio under implementation spans 89 countries where it does not have privileges and immunities. This means that GCF is now disbursing USD 1.5 billion in countries where it does not have privileges and immunities coverage (worth USD 3.5 billion in total project value), with between USD 332 million and USD 525 million anticipated to be further disbursed in 2021 in countries where GCF does not have privileges and immunities. In addition, a further USD 280 million is being disbursed for multi-country projects which also include countries where GCF does not have privileges and immunities.

224. In the absence of any policy requirement for countries to grant privileges and immunities to GCF to access GCF resources (e.g., through requiring privileges and immunities to be in place prior to starting disbursements), the risk associated with the lack of privileges and immunities will increase as the portfolio grows.

225. The risks to the GCF of operating without privileges and immunities have been set out in both the Second and Third Biennial Reports on Privileges and Immunities of GCF (submitted to COP 23¹¹ and COP 25,¹² respectively). Not only can these risks give rise to significant financial liabilities and affect the amount of resources available for programming, they can materially and adversely affect the reputation of GCF, thereby impacting on its ability to achieve its mandate. It could also directly jeopardize the capacity of GCF staff to discharge their oversight functions.

226. Further details, on both the potential linkage with the United Nations and bilateral agreements, can be found in the draft Fourth Biennial Report on the Privileges and Immunities of the GCF.¹³

2.6.4. Advancing GCF risk management and oversight

227. The Secretariat developed its risk-based work plan for 2021–2024, and started performing one of the audits planned for 2021 on risk management processes. Work is also underway towards finalizing one planned audit on portfolio monitoring and two ad hoc reviews that had been started in previous years (KPI 6.9).

228. A review of the delivery of management action plans agreed in response to audits and reviews from previous years indicated that close to 60 per cent of the management action plans due by 31 December 2020 were completed. (It had been able to close 49 per cent of management action plans due to be completed by 30 June 2020.) Outstanding action plans are being followed up on with senior management.

229. During this first trimester of 2021 the Secretariat published the risk dashboard for quarter ended December 2020. The dashboard informs the Board of the status of risks as identified in the Risk Register. The Secretariat has also initiated the review of the risk management framework components and is in an advance stage of hiring a consultant firm to advise on revisions or updates required to the RMF.

2.6.5. Advancing the GCF approach to knowledge management

230. At the institutional level, effective knowledge management practices are critical to supporting staff professional development and growth, and enabling the organization to continuously enhance its employee value proposition. The GCF desires to deliver a comprehensive onboarding programme that provides a sound understanding of the climate focus, shared values, governance, policies and practices of the GCF. The GCF Digital Onboarding programme is a key element of this, and it is being developed by experts in instructional design and digital learning, under the inputs and guidance of current staff members. The GCF has already completed the conceptual design for the Digital Onboarding where 20 hours of training are split into 31 modules. Those 31 modules are organized in three distinct pathways: (1) Core

¹¹ FCCC/CP/2017/5.

¹² FCCC/CP/2019/3.

¹³ See footnote 10 above.

orientation; (2) Functions of the Secretariat; and (3) Climate management. As of 30 April 2021 11 modules are already under development and the remaining 20 modules are about to be kicked off. In parallel, the Secretariat continues developing critical knowledge through manuals and sector guides that will complement the knowledge required by new GCF staff to rapidly overcome the initial learning curve.

231. Significant progress has been made in the development of the GCF taxonomy or catalogue. The taxonomy will support GCF personnel to instantaneously retrieve organizational knowledge by providing coherence and consistency to GCF terminology in terms of hierarchy and definitions. It has also been elaborated to incorporate technologies covered in the GCF portfolio. Work is in progress on the institutional component to incorporate document types, organizational structure, governance, and operational policies and guidelines. A glossary is also being prepared based on the inputs from the taxonomy. The next steps will include consultations with key personnel for internal technical validation.

232. Finally, in April the Secretariat hosted the International Financial Institutions Knowledge Management Community of Practice Spring Meeting. All 14 member organizations were present, and more than 30 participants engaged in discussions on knowledge management metrics. Metrics are a crucial element of knowledge management that can lead to boosting an organization's efficiency and effectiveness by establishing baseline measures, procedures for measuring, and expected outcomes. The GCF knowledge management system will benefit from this discussion by identifying the preference of different international financial institutions to move towards tacit knowledge measurements. The main metrics were identified by the participants and a template framework was produced. It will be used by the GCF as an indicator of which knowledge management metrics should be monitored.

2.6.6. Advancing resource mobilization, partnerships and communication

233. Resource mobilization

234. A key target under the work programme focused on finalizing contribution agreements for at least 95 per cent of the pledges made and continuing resource mobilization efforts aiming to reach at least the level of IRM pledges. The number of pledges and contributors stayed constant at USD 10 billion from 33 contributors for GCF-1, including credits earned due to early payment and/or encashment based on the GCF-1 reference exchange rate. The total confirmed amount also remained constant as at end of 2020, with approximately USD 9.52 billion equivalent signed or 96 per cent of nominal pledges from total of 29 countries and 2 regions, which is well above the 95 per cent KPI target (KPI 6.7). The majority of remaining unconfirmed pledges will be signed annually in tranches, and the Secretariat will be following up closely with the target contributors.

235. The Secretariat has been engaged with the United States on potential new pledges, and the United States Administration has announced that it has requested Congress to provide GCF with USD 1.25 billion in the 2022 budget cycle. United States climate envoy John Kerry stated that this contribution "will go a good way toward paying down on our two-billion-dollar outstanding pledge."

236. The Secretariat has prepared a Financial Plan for the management of commitment authority during GCF-1 and it points to the strong need for mobilizing additional resources. Additional contributions, such as those from the US, would enable the GCF to fulfil its potential of committing USD 1 billion per Board Meeting in climate investments. Further details are provided in the addendum GCF/B.29/Inf.07/Add.02 attached to this report.

237. Under the work programme, KPI 6.6 also included a priority around the development of a long-term resource mobilization plan and the submission of policies for contributions from alternative sources. The Secretariat has been working with an external firm to research and analyse various options, including in light of their implementation needs. The policy is planned to be consulted with the Board in late 2021 or in 2022.

238. **Building partnerships through strategic outreach and communications**

239. GCF engaged in a number of high-level events to raise the visibility of the GCF support in delivering climate action (KPI 6.8), covering key global leaders, networks and intergovernmental processes in the run up to COP 26, such as the following:

- (a) The Executive Director's live virtual participation in the **One Planet Summit on Biodiversity** hosted by the French President Macron and the **Climate Adaptation Summit** hosted by the government of the Netherlands in January;
- (b) The Executive Director also delivered remarks to the **annual meeting of the Inter-American Development Bank** in March;
- (c) The Executive Director delivered a virtual regional briefing on the progress of the GCF to the Alliance of Small Island Developing States **group of United Nations Permanent Representatives** in New York in April;
- (d) In addition, the GCF was invited to speak about its progress and future steps at the **Climate and Development Ministerial Meeting** hosted by the Government of the United Kingdom at the end of March, followed by a bilateral meeting between the Executive Director and the **COP 26 President, Mr. Alok Sharma**, during his visit to South Korea in April. The meeting focused on the role of the GCF in delivering a successful COP 26 by demonstrating its ability to approve and deliver climate finance at scale, especially as countries recover from COVID-19. The Executive Director also briefed on several projects and forthcoming initiatives to catalyse investment in adaptation and nature-based solutions;
- (e) The Executive Director also delivered the opening remarks at the **Climate Finance Forum** organized by the Republic of Korea in April; and
- (f) The GCF was invited to participate in the United States Leaders' Summit on Climate on 22–23 April. The Executive Director addressed a **high-level session "Investing in Climate Solutions"** moderated by **United States climate envoy John Kerry** which focused on how to scale up climate finance. The session included a number of national leaders as well as the heads of the International Monetary Fund, the World Bank and the African Development Bank and CEOs of Bank of America, Citigroup, CalPERS, and Allianz. The Executive Director stressed the imperative of new technological, managerial and financial solutions to reach the Paris Agreement goals and outlined the GCF approach to accelerate and scale up climate innovation and investment in developing countries.

240. In addition to high-level engagement with global leaders and in key intergovernmental processes, the GCF hosted its own events to promote ambitious climate action and help build momentum in the run up to COP 26:

- (a) On April 20, GCF organized a virtual round table event in the margins of the US Climate Leaders' Summit on **"Climate Finance Opportunity in Developing Countries"**. Several GCF partners provided practical examples of how the GCF is supporting climate solutions in developing countries. Other participants included civil society, and the United States Chamber of Commerce. The round table included a video statement from United States Special Presidential Climate Envoy John Kerry, who hailed GCF as an "indispensable player" for its role in funding climate action;
- (b) The 2021 Partnering for Green Growth (P4G) Seoul Summit scheduled for 30-31 May will position P4G as a delivery mechanism to build back better and greener in this decade of action. GCF is participating in several preliminary events for the P4G Leader Summit and will co-organize with the Korean Ministry of Economy and Finance (MOEF) a dedicated event during the actual Summit. During the joint MOEF-GCF event, GCF will launch a publication on scaling up climate finance in the context of Covid-19. GCF will

also co-organize a session on the Green New Deal, and speak at events related to energy, green education, and green recovery from the COVID-19 economic shock.

241. The Secretariat is in the process of assessing options of implementing an organization-wide constituent relationship management tool as part of its wider digitalization strategy. Once implemented, the tool will support the streamlining of partnerships and engagements including an online catalogue of all general cooperation agreements.

242. Communications wise, GCF published its first ever Annual Results Report, “Climate action during the pandemic”, in order to raise awareness about its activities among stakeholders. The 2020 annual report showcased the major programmatic highlights and operational achievements of the Secretariat in 2020. A digital-first publication, the annual report lives in an interactive web page, with the full version of the report in a mobile-friendly, responsive PDF format. Following the adoption of these, the Secretariat created new project pages on the website for the B.28 FPs. The new projects are also being promoted through a series of short informative videos created for social media. With regards to the existing portfolio, a project story on FP072, “Freeing Zambian women from a climate-charged poverty spiral” and a beneficiary-focused video on FP076 were published. In support of the GCF event, “The climate finance opportunity in developing countries: How GCF delivers climate action”, an extensive series of communication materials was produced. A web article, three event cards, three event highlights videos and eight speaker quote cards were produced for the event.

243. The Executive Director’s participation at the United States Leaders’ Summit on Climate was spotlighted on GCF social media networks through a web article and an animated quote card. As part of GCF efforts to reinforce internal communications to build a stronger working environment, it launched its first ever intranet space, The Green Shift, which provides a collection of news, resources and opportunities for GCF personnel to communicate and collaborate with each other more effectively. A series of new results areas web pages has been created on the GCF website, as well as a series of thematic briefs to support outreach. A Digital Asset Management library has also been created to host GCF multimedia content and facilitate its use in communication products.

Annex I: Unlocking the Potential of DAEs for Climate Action: “DAE Action Plan”

Executive Summary

1. The GCF’s strategic vision is to promote a paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development and support to developing countries in the implementation of the Paris Agreement.
2. In 2020, the Board updated the 2016 initial Strategic Plan to reflect the current context and set ambitious goals for the future. The Updated Strategic Plan 2020-2023 builds on the implementation of the initial Strategic Plan, and seeks to significantly increase funding channeled through DAEs relative to the IRM level¹, including by prioritizing accreditation of and capacity support for DAEs of countries which do not yet have a national or regional accredited entity. Furthermore, the USP calls for building the programming and implementation capabilities of national and regional DAEs.
3. To achieve these targets, the Secretariat is looking to integrate its approach to DAE support covering the entire cycle from entity nomination to project approval. The actions being proposed to increase the share of DAE investments in GCF-1 under this approach fall into the following three areas:
 - (a) Support for Strategic Nomination of DAEs to the GCF.
 - (b) Support for DAE Project Development; and
 - (c) Support for Capacity Building and Institutional Strengthening.
4. These recommendations and corresponding actions have been proposed based on the Secretariat’s review of relevant materials and an analysis of the DAE portfolio, as well as ongoing engagement with DAEs in trying to understand the challenges they face when trying to access GCF resources.
5. Direct access is a unique aspect of the GCF business model. Given the important role that DAEs play in supporting countries’ access to climate finance, as well as in realizing the principle of country ownership, this document aims to set-out an action plan that can be applied by the GCF Secretariat to foster greater access to GCF resources by the Fund’s DAEs.
6. In line with the above, this document presents some of the challenges, barriers, and gaps in direct access to the GCF and proposes actions to increase DAE programming in GCF1.
7. The document is organized as follows:
 - (a) Section I provides an overview of existing GCF mandates on Direct Access programming as well as relevant findings from IEU evaluations to-date which reflect on Direct Access challenges and opportunities;
 - (b) Section II introduces the USP’s goals and priorities for Direct Access Entities, the role of DAEs in delivering the USP ambitions and the implications on GCF-1 programming;
 - (c) Section III provides an overview of the key challenges and barriers to increasing DAE programming in the current situation;
 - (d) Section IV summarizes the support provided to DAEs to-date;

¹ IRM baseline: 14 per cent of funding in nominal terms; 27 of 124 approved projects (21%)

- (e) Section V proposes an integrated approach to DAE support across the programming value-chain;
- (f) Section VI summarizes the expected results from this proposed action plan.

I. GCF's Direct Access Mandate

8. GCF's mandate for promoting Direct Access is established under the Governing Instrument which identifies direct access as a key operational modality through which recipient countries receive funding, based on a country driven approach and participation of relevant stakeholders, including vulnerable groups (para 31).

9. The Governing Instrument (para 47) also stipulates that recipient countries will nominate competent subnational, national, and regional implementing entities for accreditation to receive funding. The Board will consider additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership of projects and programmes.

10. This mandate has also been reinforced through various decisions from the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC). A key example is UNFCCC decision 10/CP.22 which "requests the [GCF] Board to facilitate an increase in the amount of direct access proposals in the pipeline and to report to the Conference of the Parties on progress made in this regard".

11. Through several decisions the Board has advanced these mandates, requesting the Secretariat to facilitate and enhance access to GCF resources by direct access entities (DAEs) through several channels, including the simplified approval process (SAP) and, the Project Preparation Facility (PPF), the Readiness and Preparatory Support Programme (RPSP) for pipeline development. The Board also equipped the GCF with a devoted envelope of resources to support and empower the Direct Access modality through the Enhancing Direct Access (EDA) Request for Proposal (RfP). Direct Access priorities have also been included annually in the Secretariat's Work Programmes. In its 2020 Work Programme², the Secretariat recognized that DAEs need substantially more support than international access entities (IAEs) in developing well-supported, climate-focused concept notes (CNs) and project proposals. The 2021 Work Programme continued this ambition and placed an added focus on expanding use of the Direct Access Modality, including by hiring a dedicated DAE Manager to coordinate a multi-pronged DAE strategy that will span both pre- and post- accreditation stages.

12. Finally, various findings and recommendations from past IEU evaluations have also highlighted the need for targeted reforms and support measures that can increase the role DAEs play in GCF programming. The IEU's 2020 SIDS Evaluation Report recommends the Board and the Secretariat accelerate and simplify the project cycle, especially for the SAP and improve RPSP support to direct access entities³. The IEU's 2019 Forward-looking Performance Review (FPR)⁴ of the GCF found that: i) GCF has a limited number of private sector AEs, and an even more limited number of private-sector DAEs, and both are held back by the burdensome accreditation process; and ii) GCF's IRM portfolio is not as balanced as anticipated (in nominal terms between adaptation and mitigation; IAEs versus DAEs). The FPR also recommended to

² <https://www.greenclimate.fund/sites/default/files/document/workplan-budget-secretariat-2020.pdf>

³ https://ieu.greenclimate.fund/sites/default/files/document/201123-sids-final-report-top-web_2.pdf

⁴ <https://ieu.greenclimate.fund/sites/default/files/document/fpr-final-report.pdf>

strengthen criteria, business processes, and implementation structures that are likely to better address differentiated developing country needs and capacities, with a focus on DAEs.

13. According to the IEU's Country Ownership Approach (COA)⁵ evaluation from 2019, the long accreditation timelines of DAEs are explained by several factors including limited knowledge about the implications of being a GCF accredited entity; misunderstanding about the accreditation process and its implications; and the need for substantial time and support to develop adequate policies for environmental and social safeguards, gender, and consultation, some of which often require upper political and management decisions.

14. The IEU independent assessment of the GCF SAP Pilot Scheme (2020)⁶, recommended to include a capacity development programme to support DAEs on how to apply the SAP within the RPSP, noting that "There is a continued need to support entities when preparing proposals, particularly for new ones. The quality-at-entry of the proposals will dramatically increase if the proponents have the capacity to respond to GCF requirements, processes and concepts".

II. Ambitions for Direct Access Programming

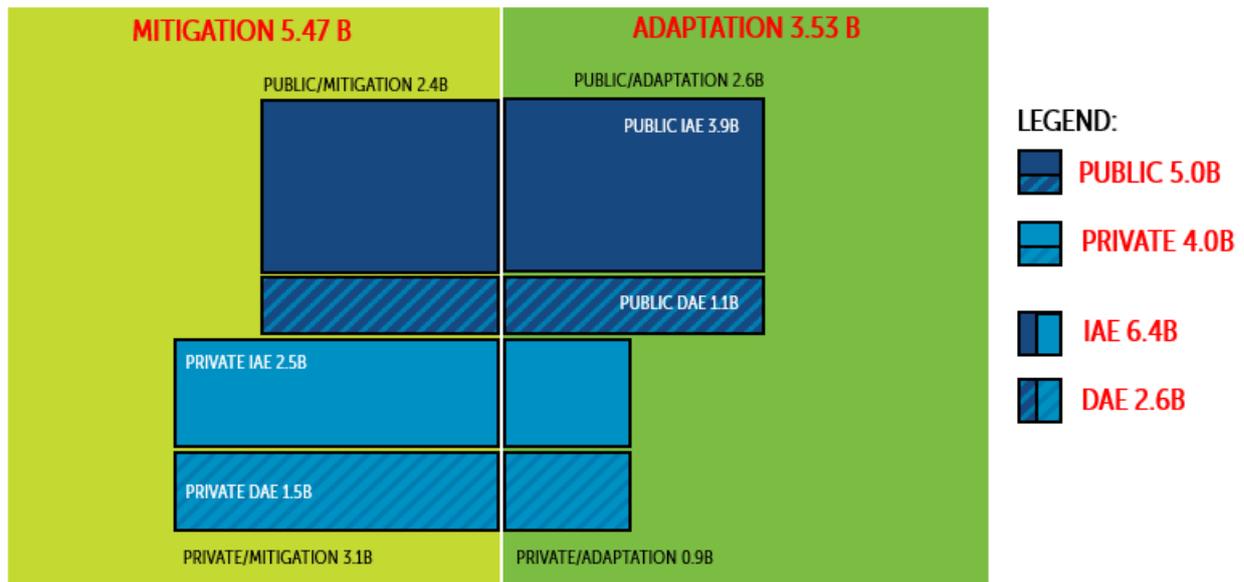
15. Through decision B.27/06, the Board adopted the Updated Strategic Plan (USP), which reinforced Direct Access mandates. The USP elaborated parameters and guidelines for the allocation of resources, designed to direct the evolution of the GCF-1 portfolio in line with the vision of GCF and its strategic objectives. In particular, the USP has set the ambition of building a GCF-1 portfolio which significantly increases funding channeled through direct access entities (DAEs) relative to the IRM, where 14 per cent of funding was allocated in nominal terms to DAEs (27 of 124 approved projects (21%). The USP also elaborated on the key role DAEs play in strengthening the country ownership of programming and set out a range of priority actions to support national and regional DAEs to play a more prominent role in GCF programming by building their programming and implementation capabilities. In addition to setting portfolio ambitions on DAE programming, the USP also set portfolio targets for increasing the share of adaptation as well as increasing the share of private sector programming and private sector mobilization.

16. To inform programming directions, the Secretariat has developed a model of the GCF-1 portfolio targets. The programming model is built on a series of assumptions derived from the Board-approved portfolio targets and allocations parameters, which can be modified to generate different scenarios. The model can generate an illustrative picture (see figure 1) of how much, in nominal terms, would need to be programmed against key allocation parameters (mitigation : adaptation; public : private ; IAE : DAE) over the full period of GCF-1 to generate a portfolio mix that simultaneously meets the various Board-approved GCF-1 targets. While the Secretariat is accordingly cautious about using the modelling results as a precise guide to programming allocations, particularly because the allocation model does not cover all GCF-1 targets (NB: impact and mobilized private finance), the results of the analysis do demonstrate the general programming directions that are needed to mature the current portfolio and pipeline in line with GCF-1 targets.

⁵ <https://ieugreenclimatefund/sites/default/files/document/200203-coa-final-report-no-decision-page.pdf>

⁶ <https://ieugreenclimatefund/sites/default/files/document/sap-final-report.pdf>

Figure 1: Illustrative scenario of GCF-1 programming aligned with allocation parameters, converting GE allocation parameters into nominal programming amounts



17. This modelled scenario has been updated to take into account B.28 approvals. The findings are:

- (a) Public and private DAE programming would each need to increase threefold in volume compared to the IRM (Public USD 0.3B -> 1.1B; Private USD 0.5B -> 1.5B). Overall, the modelled results show that the DAE portfolio would have to represent 29% of GCF1 programming in nominal terms, and 35% of remaining approvals (2021-2023) to achieve the GCF1 portfolio targets in grant equivalent terms. In addition to this:
- (b) Public sector adaptation programming would be slightly greater than public sector mitigation, while adaptation would have to increase to around 22 per cent of PSF's GCF1 programming, or a more than four-fold increase relative to the IRM (USD 0.2B -> 0.9B);
- (c) Programming channelled through PSF would need to double relative to the amount programmed in the IRM (USD 1.8B -> 4.0B).

18. Considering the portfolio results as at the end of 2020 and observations on the immediate pipeline, the headline finding is that a business as usual approach is unlikely to simultaneously meet all the USP portfolio targets. In particular, the Secretariat foresees that a more targeted approach to programming for the remainder of GCF-1 will be required in order to develop the portfolio in line with the Board's strategic objectives. In summary, this will require:

- (a) A further increase in DAE programming, requiring: (i) a mix of mitigation and adaptation projects and programmes; (ii) a mix of project sizes and instruments; and (iii) an increase in DAE large adaptation projects.
- (b) A relative increase in adaptation programming, with a focus on: (i) adaptation projects and programmes at greater scale; (ii) reaching particularly vulnerable countries including SIDS, LDCs and African States; (iii) a significant share of public adaptation programming in grants; and (iv) significant increase in private programming for adaptation

- (c) A further increase in PSF programming, with a focus on: (i) the mitigation projects with higher impact and potential for mobilization of private finance; and (ii) a significant increase in PSF adaptation programming.
19. The Secretariat is in the process of internalizing the Board's directions into its internal project origination, development and appraisal process, and will monitor pipeline contribution to GCF-1 targets as concept notes and funding proposals progress through the project cycle. The Secretariat will also calibrate GCF-1 targets into its engagement with developing countries and AEs, including on country programmes and entity work programmes.
20. This recognizes that, through the GCF partnership model, more intensive upstream support for origination and project development will be needed to promote new programming in the above areas, specifically from DAEs. For example, the share of funding channelled through DAEs increased, through a higher share of programming in the first year of GCF-1 (2020) and the share of DAE programming in the pipeline is relatively higher than the IRM. However, the Secretariat assesses this will not necessarily translate into a continuous trend of growing DAE programming as its experience is that it continues to require more review rounds and technical support to bring DAE proposals through the project cycle to Board approval, particularly in light of constraints around being able to engage DAEs directly in their regions. Approvals at B.28 and proposals under consideration for B.29 show a smaller share of DAE funding compared to 2020. Targeted efforts will also be required to scale up adaptation and private sector programming.
21. Finally, the Secretariat has also already identified tensions that may make the realization of all GCF-1 targets simultaneously a challenge:
- (a) In the current pipeline, most of the DAE programming at larger scale is in mitigation; so increasing DAE programming could also lead to a relative increase in mitigation share;
- (b) The target to programme an increased allocation through PSF in grant-equivalent terms will require a relatively larger increase in PSF funding in nominal terms, due to the generally lower concessionality of PSF projects. It may be challenging to increase it while simultaneously increasing adaptation and DAE programming. At least at the early stages, private sector DAE and adaptation projects are more likely to be smaller in scale; and
- (c) In addition, while the Board has indicated under the USP an intent to maintain the share of grant financing, in particular for adaptation, a significant number of adaptation or cross-cutting projects in the pipeline currently request loans due to the nature of the project activities. There may accordingly be a tension between maintaining the adaptation share of total financing, increasing the adaptation share through PSF, and the Board's direction on instruments.
22. The Secretariat recognizes that both immediate and longer-term solutions are required to meet the USP target on Direct Access and balance it with the other portfolio targets. Given the need for immediate actions, the Secretariat has identified short-term solutions that could be rapidly deployed to address some of the challenges faced by DAEs while contributing towards achieving the USP targets. Proposed immediate actions include:
- (a) Select a few DAEs with largest potential of projects that can mature in the short term. Some proposals in the pipeline are already at an advanced stage of the review process. These proposals could be prioritized in the short term if they directly contribute to the USP targets.
- (b) Accelerate the development of DAE projects in adaptation, particularly private sector DAE.
- (c) Deploy a cross-divisional team and dedicate their time to mature projects.

- (d) Accelerate the Deployment of PPF technical assistance to support the development and finalization of PAP and SAP funding proposals from DAEs.
 - (e) Accelerate the use of SAP by DAEs as well as EDA
 - (f) Prioritize DAE over IAE projects in Secretariat reviews, especially for SIDS, LDCs, and African States,
 - (g) Continue to promote peer-to-peer learning through lessons learned and knowledge and experience sharing webinars/workshops at the national and regional levels
 - (h) Encourage IAEs to work with DAEs in an executing entity role (and vice versa – DAE to work with IAEs) to reduce steepness of learning curve.
 - (i) The Secretariat can identify potential project opportunities in parallel to the DAE's ongoing accreditation process (starting from stage II) to accelerate the time in which a matured concept comes to the Secretariat. The Secretariat can also consider starting early discussions on the AMA with DAEs as they approach Board approval.
23. In addition to these immediate actions the proposed Direct Access Action Plan set out in this document further elaborates a long-term integrated approach to provide predictable and comprehensive support to DAEs across the entire programming value chain. The Action Plan responds to the existing challenges faced by DAEs and works towards building the required DAE institutional capacity for enabling greater access to GCF resources for DAEs.

III. Situation Analysis

24. This section provides an overview of the three factors that broadly characterize some of the key challenges and barriers to increasing DAE programming in the current situation.

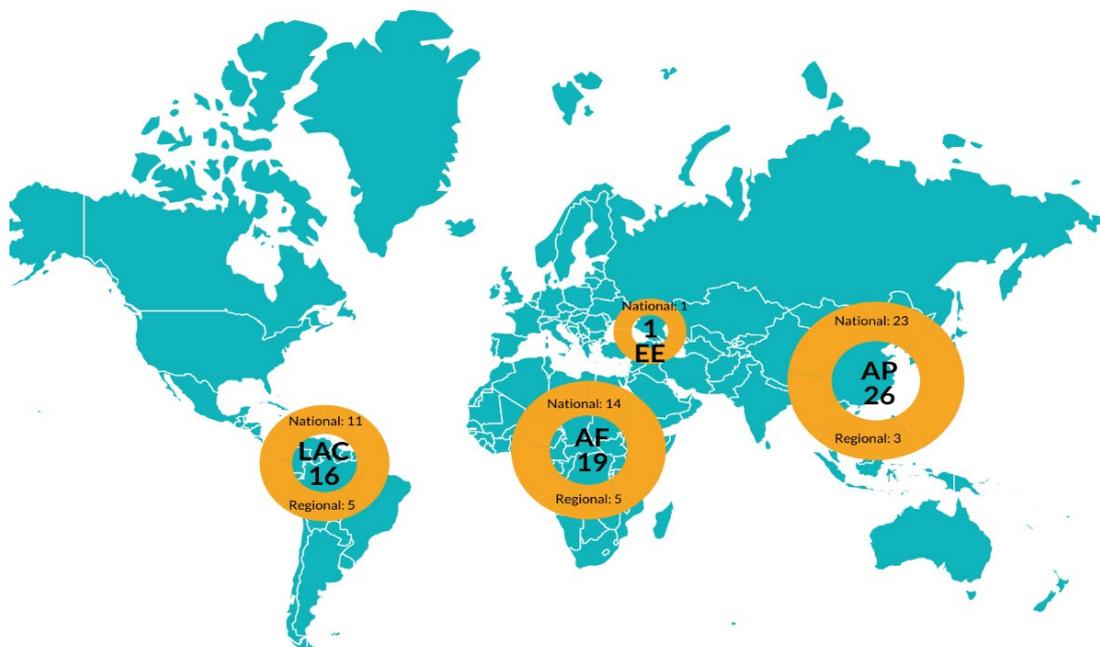
3.1 Limited diversity of accredited DAEs

25. The preliminary results of the portfolio modelling exercise described in Section II show that achieving all USP allocation targets, including those for DAEs, would require an increase in public and private DAE programming more than threefold in volume compared to the IRM and the use of a mix of financial instruments.
26. An analysis of the existing portfolio of DAEs indicates that it may not be able to deliver on the USP targets:
- (a) As of May 2021, the GCF has a total of 62 accredited DAEs: 49 national DAEs (79%) and 13 regional DAEs (21%). They comprise of 6 commercial banks, 4 national banks, 4 private banks, 5 development banks, 4 regional development banks, 11 government ministries, agencies or authorities, 14 environmental and investment funds, and 14 others. A third of DAEs (19, 31%) have their AMAs still pending effectiveness. In addition, 5 DAEs are applying for reaccreditation (ADA Morocco, CSE, EIF, SPREP, and PROFONANPE). The vast majority of current DAEs are from the public sector (78%) and accredited only for grant instrument. Private sector DAEs represent only 22% of the total DAEs. However, 43 accredited DAEs can work with the private sector, while 13 DAEs deal exclusively with private sector projects.
 - (b) The accreditation scope of most DAEs limits project (re)design options while DAEs that have a broader accreditation scope have yet to fully utilize it. The existing portfolio has a limited number of national entities that have experience working with higher volumes of finance and a variety of instruments. Such entities provide countries with more

opportunities to access GCF finance, but the onus to select entities that are strategically aligned with, and capable of delivering on, countries' investment priorities must come from country-driven nominations. The current portfolio of DAEs still needs to be strengthened with nominations of DAEs that can operate at scale and deliver the results that countries expect. However, at least 45 DAEs can do guarantees; 30 can do loans (including 7 regional DAEs: DBSA, CAF, Acumen, CABEI, BOAD, AWB, and CDB), and at least 22 DAEs can use equity. The challenge here is supporting DAEs to make a fuller use of their accreditation scope.

- (c) In terms of geographical coverage, Figure 2 below provides an overview of the regional distribution of DAEs, both national and regional. The Asia-Pacific region has the highest number of accredited DAEs, followed by Africa, Latin America and the Caribbean, Eastern Europe (EE). At the same time, Asia-Pacific is the region with highest number of countries not covered by regional DAEs (38 countries), followed by EE (9 countries), and Africa (9 countries). All LAC countries are covered by regional DAEs. LDCs have in total 26 DAEs compared with 13 for SIDS. So far, only 11 African countries have national DAEs, compared with 13 countries in Asia-Pacific, 8 in LAC, and 1 in EE. The vast majority of GCF countries do not have national DAEs (43 countries in Africa, 39 in Asia-Pacific, 25 in LAC, and 8 in EE).

Figure 2: DAE geographical coverage



27. Status of the DAE Accreditation Pipeline

28. The current accreditation pipeline has a total of 247 applicant DAEs as of May 2021: 81 Applicants, 91 DAEs with OAS account issued, 31 with an OAS account requested but not yet issued, and 44 DAEs nominated but not yet requested an OAS account. This pipeline includes at least 12 commercial banks, 23 development banks, 10 national banks, and 36 government ministries, agencies, and authorities. Out of 81 Applicants DAEs, 5 are commercial banks, 15 development banks, 2 private banks, 7 environmental funds, and at least 17 government ministries, agencies, or authorities. Out of 16 DAE applicants at Stage II, 2 are regional (Inter-America Institution for Cooperation on Agriculture and Korea International Cooperation

Agency) and the remaining 14 are national DAEs. Out of 41 DAE applicants at Stage I, 9 are regional and 32 are national.

29. While nomination of strategically aligned DAEs has been a barrier – and there may be entities in the accreditation pipeline that can help deliver on USP targets – the Secretariat fully acknowledges that accreditation also poses its own challenges, and so there is no certainty that entities which can support on delivering the USP targets will make it through the accreditation process in a timely manner. Accreditation challenges are a known issue, and in the absence of any revisions to the Board-approved accreditation framework, further accelerating the DAE share of GCF1 programming may be limited.

3.2 Project development challenges

30. Once accredited, DAEs are struggling to develop funding proposals that align with GCF requirements.

31. The Secretariat has observed that even in instances where DAEs have received support from Readiness Delivery Partners for development of concept notes, the overwhelming majority of those concept notes do not get further developed since the Delivery Partner is no longer involved in the project development process. This has substantiated the need for not just targeted technical support (such as for climate data, ESS, M&E, or other discrete parts of the project development process), but for a full end-to-end support whereby Delivery Partners help DAEs with project conceptualization, funding proposal development, addressing Secretariat and ITAP' feedback, through to Board approval

32. In cases where DAEs have submitted CNs/FPs to the Secretariat, some issues observed from these submissions have shown challenges of DAEs being able to articulate the climate science basis of proposed projects; being able to develop an appropriate theory of change and log frame; being able to understand GCF's performance management framework for monitoring and evaluation (M&E); applying methodologies for evidence-based project design and mapping of climate impacts and risks; and having capacity to generally deliver high quality-at-entry concepts or proposals. In cases where submissions have been received, a lack of details on the type of activities proposed, insufficient information regarding the historical data and necessary feasibility and other studies result in numerous comments and extensive feedback from the Secretariat, which delays project development progress and leaves many proposals stuck at the concept note stage. Furthermore, many DAEs do not have enough experienced technical staff/experts to support project (re)design and development, which often results in significant delays in resubmitting a revised proposal and responding to the Secretariat 's comments. It can take up to 10 resubmissions for projects from DAEs to reach the required quality for it to move to ITAP stage.

33. Guidance provided via the GCF Programming Manual and other guidance documents prepared is only helpful to some extent as there is much more direct support needed for DAEs to be able to provide the level of detail necessary for full funding proposal preparation.

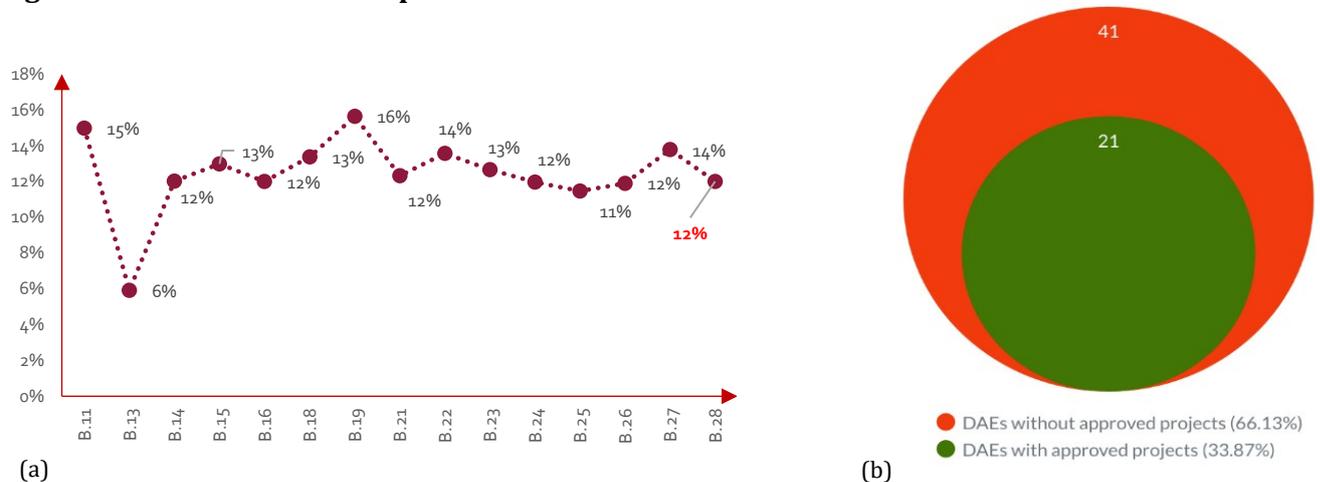
34. As a result of some of the weaknesses and poor quality of the proposals received by DAEs, review and processing times by the Secretariat takes longer, and in some cases, DAEs' priorities even change in the meantime. This, combined with the lack of resources and expertise to address the Secretariat's comments, often leads some DAEs to become non-responsive or slow to respond to Secretariat correspondences, resulting in many inactive concept notes in the pipeline.

35. The analysis below on the current DAE portfolio and pipeline demonstrate some of the limitations in terms of diversifying DAE programming to support the multiple portfolio targets under the USP.

36. **Status of DAE Projects in the GCF Portfolio**

37. Although the Secretariat has made significant efforts towards supporting DAEs to develop high quality funding proposals, Figure 3a shows that the DAE share of GCF’s approved portfolio has remained relatively low (12% on average) between B.11 and B.28. Only 21 DAEs have a total of 35 approved projects for a total of USD 1.4 billion, and most DAEs with approved projects are public sector entities (84%). So far 41 accredited DAEs do have any approved projects with the GCF (Figure 3b). Over half of DAE projects are managed by 6 DAEs (BOAD, DBSA, CAF, IDCOL, NABARD, CABEI). So far 41 accredited DAEs do have any approved projects with the GCF (Figure 3b).

Figure 3: Share of DAE in GCF portfolio



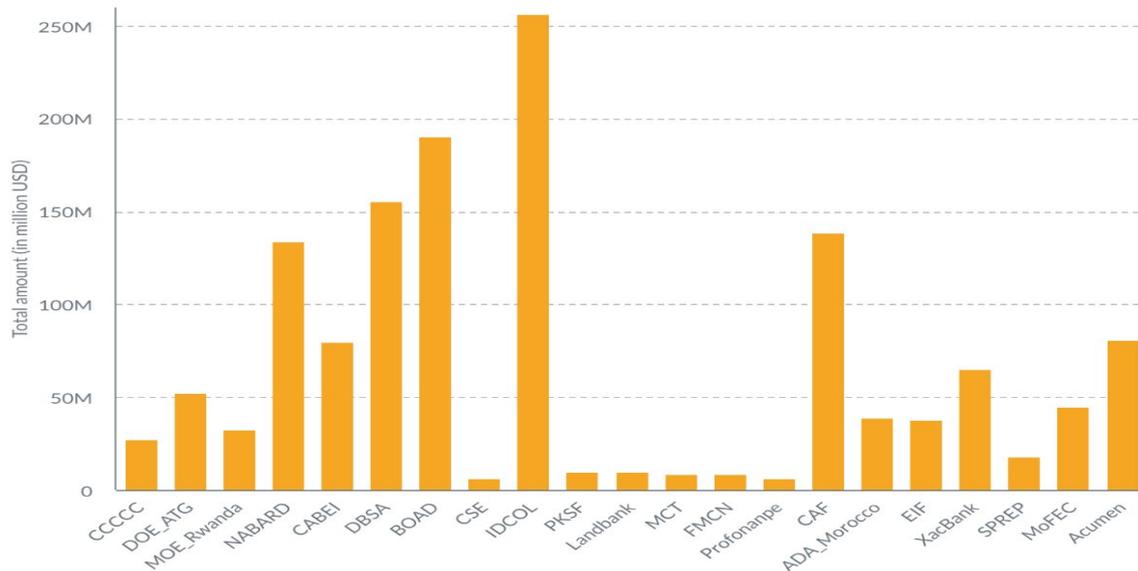
38. Of the 21 accredited DAEs with approved projects, only 4 (CAF, Acumen, IDCOL, and XacBank) are private sector entities with a total of approximately USD 541 million approved. The total DAE portfolio includes 35 projects, including 14 adaptation projects (18.4% in volume), 15 mitigation projects (68.2% in volume), and 6 cross-cutting projects (13.4%), as shown in Table 1 below.

Table 1: DAE Portfolio by Thematic Areas

Theme	Project Count	Total Volume	Share (in volume)	Average Project Size
Adaptation	14	USD 257m	18.4%	US\$ 18m
Cross-cutting	6	USD 187m	13.4%	US\$ 31m
Mitigation	15	USD 953m	68.2%	US\$ 64m
Total	35	USD 1.4b	100%	N/A

39. Private sector DAEs are more likely to secure large projects while public DAEs tend to have the highest number of projects (Figure 4). For instance, EIF (public sector DAE) has the highest number of approved projects (4 projects) for a total of USD 37.7 million, while IDCOL (private sector DAE) has one approved project with a total of USD 256.5 million (the highest in volume among the DAEs with approved projects). This is almost seven times the total volume of EIF’s projects.

Figure 4: DAEs with Approved Projects



40. Among the 41 DAEs without approved projects, 11 are from Africa (2 of which are regional DAEs), 19 from Asia-Pacific (1 is a regional DAE), 10 from LAC (2 are regional DAEs) and 1 from Eastern Europe. Four are accredited for large projects, 12 for Medium projects, 14 for Small projects, and 11 for Micro projects.

41. Status of DAE Projects in the Pipeline

42. Increasing DAE project share will require a strong focus on developing DAE pipeline. As of 3 May 2021, 46 accredited DAEs have 218 FPs/CNs in the pipeline (149 public sector projects, 46 private sector projects, and 23 unspecified projects). Seventeen DAEs with projects in the pipeline already have approved projects in the portfolio. Nineteen DAEs do not have approved projects nor anything in the pipeline.

43. The following DAEs have the highest number of projects in the pipeline: BOAD with 18 projects, CDB with 15 projects, CCCCC with 14 projects, DAE_ATG with 12 projects, and MoE_Rwanda with 10 projects (Figure 5).

44. Furthermore, among the DAEs with projects in the pipeline, only 5 entities (BOAD, CABEL, CAF, NEMA, and PKSF) have most of the proposals in a mature stage of review. However, a few proposals have been stuck at the concept note stage since 2016, potentially indicating lack of interest by DAEs and NDAs to pursue them.

45. A breakdown of the pipeline by financial instruments also shows a strong focus on grants (46%). Loans, equity, and guarantees represent respectively 32%, 4% and 1%. For instance, only 9 DAEs have projects with an equity component in the current pipeline. Direct access entities such as CABEL, BOAD, CAF, DBSA, SPC, CCCCC, LandBank, NABARD, MoE_Rwanda, and PKSF each have a project pipeline requesting at least USD 100 million in grants. In terms of total amount requested, the proposals of BOAD, CABEL, CDB, IDCOL, MoE_Rwanda, SIDBI, and Landbank each have pipelines that are over USD 300 million for both grant and non-grant instruments.

Figure 5: Number of DAE CNs/FPs in the pipeline

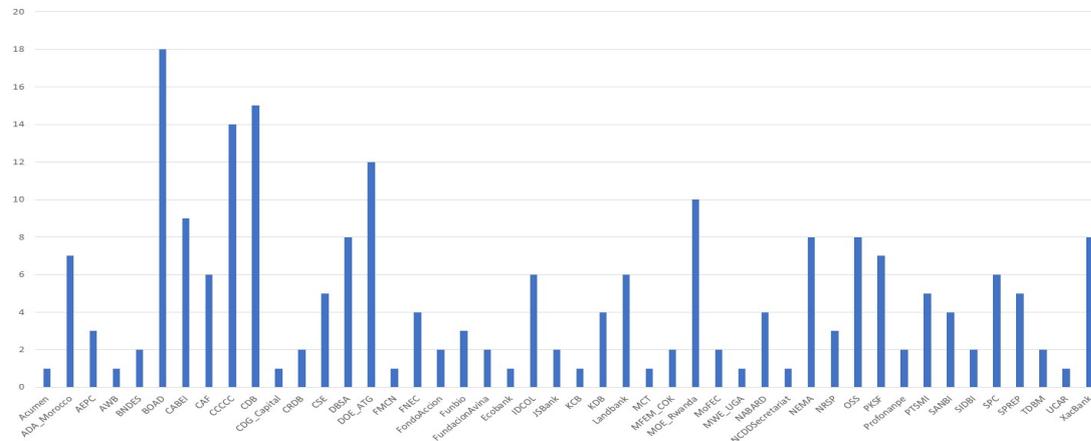
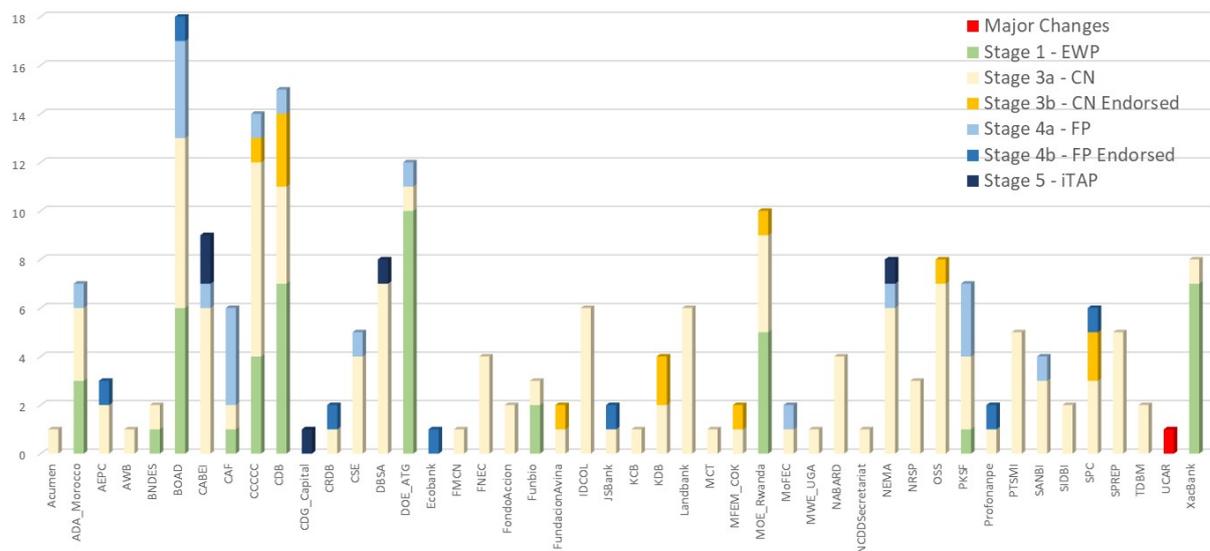


Figure 6: Status of pipeline under review



46. The Secretariat is actively supporting a greater involvement of DAEs in adaptation. The pipeline of DAE projects for B.29 and B.30 is composed of 13 projects submitted by 11 DAEs for a total amount of USD 782.09 million in nominal terms.

Table 2: Pipeline of DAE Projects by Thematic Areas for B.29 and B.30

Theme	Project Count	Total Volume	Share (in volume)	Average Project Size
Adaptation	6	USD 370.7m	47%	US\$ 61.8m
Cross-cutting	1	USD 35.46m	5%	US\$ 35.5m
Mitigation	6	USD 375.9m	48%	US\$ 62.6
Total	13	USD 782m	100%	N/A

3.3 Weak coordination at the national level

47. A lack of planning, sequencing, and prioritization of investments at the country level drives some of the ad-hoc nature in which concepts and proposals are being developed. This is due to weak coordination and lack of strategic programming at the national level, which needs to be strengthened by the NDAs. An ad-hoc, uncoordinated approach forgoes opportunities for national entities to be able to work more closely with international and/or regional organizations and build national and local capacities and access finance.

48. There is also the need for greater coordination between NDAs and DAEs during the Readiness planning cycle to ensure that DAEs are getting the support they need to deliver on countries' climate change goals. A lack of a clear climate change strategy (sometimes observed through unfocused concept note submissions with no clear linkages to national plans or GCF's Investment Criteria) highlights a weakness in DAEs' abilities to align interventions with national priorities and goals.

49. Another issue that limits DAE engagement – albeit outside the Secretariat's control – is personnel turnover (including at senior levels) at the DAEs. This has been shown to slow decision-making and breaks both momentum and continuity in the entity's engagement with GCF. Most DAEs do not have a team dedicated to the GCF, making inefficient the coordination and management of the range of information required by the GCF Secretariat. This factor lies largely outside the Secretariat's control but contributes to the overall situational challenge⁷.

IV. Ongoing Secretariat Support Provided to DAEs

50. Recognizing the importance of GCF's mandate to channel funding through direct access, the Secretariat has been providing continuous support to DAEs through a variety of ways. This has included: targeted support through workshops, dialogues, and missions; deployment of individual consultants to help with project development; use of Readiness resources; use of PPF resources; development of peer-to-peer knowledge sharing and learning platforms; and ongoing bilateral discussions between respective Secretariat experts and DAE teams. All these opportunities have yielded results but in a less than appreciable way.

51. The support that the Secretariat has provided, and will continue to provide, can be categorized into three areas: (i) Strategic engagement; (ii) Support through Readiness; and (iii) Support through project development technical assistance.

4.1 Support through Strategic Engagement

52. The support that the Secretariat has provided, and will continue to provide, can be categorized into three areas: (i) Strategic engagement; (ii) Support through Readiness; and (iii) Support through project development technical assistance.

53. The Secretariat has been organizing platforms for peer-to-peer learning and encouraging DAEs to generate new project ideas (including CNs and FPs). Such platforms allow the Secretariat to engage with DAEs in reviewing and providing guidance on CN/FPs with an objective to translate them into high quality funding proposals. The Secretariat also made missions to DAEs to support development of their programming pipelines to align with country priorities.

⁷ Other DAE challenges include language and communication barriers. The Secretariat is aware of this and is making documents available in other UN-languages.

54. The Secretariat also continues to work with DAEs through the planning and implementation of a series of regional structured dialogues to provide them support. The first virtual Structured Dialogue for the Caribbean was held over a five-day period from 1-5 March 2021 under the theme Transformational Climate Financing for the Caribbean for a duration of 9 hours. The Structured Dialogue built on the three previous dialogues held in 2017, 2018 and 2019. As a result of the Global COVID-19 pandemic, no dialogue was held in 2020. The event was structured to have a High-Level Opening Session, a Regional Direct Access Showcase and 16 technical sessions.

55. A virtual programming Dialogue for DAEs for the Pacific is scheduled from 8 to 17 June covering a wide range of topics specific to DAEs in the region. It will also be an opportunity for knowledge sharing and based on each DAE's experience and engagement with GCF as well as engagement with IAEs and other partners (e.g USAID). Working Group Clinics will be held covering (i) Marine and Coastal Ecosystems and Fisheries (ii) Climate Information Services, and (iii) Agriculture, Food and Water Security. These sectors were selected based on an analysis of the Pacific region's project pipeline as well as capacity limitations to develop proposals in these areas, which for some countries are already under development.

4.2 Support through Readiness

56. Since the inception of the Readiness Programme, capacity building of NDAs and entities for direct access accreditation has been a central feature of the support requested and provided. Most Readiness proposals submitted since 2015 include such support. Support for policy, planning and investment frameworks make up the next largest share of the support provided by Readiness.

57. Readiness grant funding has also been requested by countries to strengthen DAEs after they have achieved accreditation, but to a lesser extent. As of 30 April 2021, the Secretariat has approved 94 readiness grants with a primary focus on capacity building for direct access accreditation candidates and post-accreditation DAEs. However, fewer than 20 of those grants are targeted at post-accreditation DAEs to improve their project development and implementation capacities. Of those, only one is targeted at a regional DAE (CCCCC). Many DAEs, and especially regional DAEs, report difficulty in securing NDA buy-in to submit Readiness proposals that include a focus on building capacity of accredited DAEs.

58. Through analysis of the progress made through 31 December 2020 of grants supporting DAEs, the Secretariat has generated the following data on delivery of results. Table 3 below shows the number of approved grants featuring support for project formulation, project management, and the development of concept notes and funding proposals for DAEs.

Table 3: Progress per Grant for Direct Access Support (Pipeline Development)

Regions	Technical assistance to close gaps or upgrade accreditation level					CN or FP supported for DAEs		
	In Project formulation, including ESS and Gender policies GCF			In project management, procuring, accounting oversight, M&E		# of grants with expected target	# of grants with target achieved	% of grants with target achieved
	# of grants with expected target	# of grants with target achieved	% of grants with target achieved	# of grants with target achieved	% of grants with target achieved			
Africa	16	11	69%	11	69%	8	3	38%
Asia-Pacific	27	11	41%	10	37%	9	1	11%
Eastern Europe	1	1	100%	1	100%	0	0	0%
Latin America and the Caribbean	26	16	62%	14	54%	5	1	20%
Grand total	70	39	56%	36	51%	22	5	23%

59. As shown, just over half of all approved grants for DAE project formulation (56 percent) and management (51 percent) support have delivered the achieved targets (as of 31 December 2020). For concept notes and funding proposals, that number is only 23 percent. While many grants are still under implementation and their implementation schedules may well be on track – meaning they are not scheduled to deliver on these targets until later – still many grants are entering into no-cost extensions and not delivering the expected results on time.

60. Table 4 below displays the progress of grant support for DAE nomination and accreditation candidacy and for development of EWPs.

Table 4: Progress per Grant for Direct Access Support (Accreditation)

Regions	Candidate entities identified and nominated for accreditation			Entities supported that submitted their candidature for accreditation			Entity work programme		
	# of grants with expected target	# of grants with target achieved	% of grants with target achieved	# of grants with expected target	# of grants with target achieved	% of grants with target achieved	# of grants with expected target	# of grants with target achieved	% of grants with target achieved
Africa	23	10	43%	23	7	30%	9	0	0%
Asia-Pacific	27	12	44%	27	12	44%	11	3	27%
Eastern Europe	6	1	17%	6	0	0%	1	0	0%

Latin America and the Caribbean	17	6	35%	17	10	59%	11	1	9%
Grand total	73	29	40%	73	29	40%	32	4	13%

61. Table 4 shows a similar lag in achieved intended targets against accreditation support results. Only 40 percent of grants targeting DAE nomination and accreditation applicants have achieved results. The development of DAE entity work programmes has fared even worse, with only 13 percent of grants achieving the target⁸.

62. In the evaluation of the Readiness Programme, the IEU recommended an enhanced focus on building the capacity and providing technical assistance to post-accreditation DAEs (document GCF/B.22/03, p. 89). The Secretariat's revised strategy for the Readiness Programme, adopted through decision B.22/11, encourages uptake of this enhanced support to post-accreditation DAEs.

63. Since 2020, when the Secretariat issued the technical guidance to NDAs for the revised Readiness Programme strategy, there has been an increase in grants approved that include, at least in part, support for post-accreditation DAEs. The details are provided below.

- (a) Number of grants⁹ with dedicated capacity building support for DAEs: 20
- (b) Number of DAEs¹⁰ to be supported: 28
- (c) Number concept notes expected as deliverables: 25

64. The Secretariat continues to encourage NDAs to ensure a portion of their annual Readiness funding is targeted at post-accreditation DAEs, where relevant. The Secretariat offers guidance on how to structure readiness proposals with resources dedicated to support the development of high-quality concept notes and PPF requests and to provide capacity building and technical assistance for DAEs to enhance skill gaps. Targeted outreach, including through webinars and similar forums, have also been conducted to inform NDAs of the expanded support offerings for post-accreditation DAEs through the revised Readiness Programme strategy.

4.3 Support through Project Development Technical Assistance

65. The Secretariat is strengthening provision of on-demand Readiness and Project Preparation Facility (PPF) technical assistance with a focus on supporting development of country-driven GCF aligned concept notes and funding proposal pipeline for DAEs. Consultants with expertise in agriculture, ecosystem, water, land use, energy efficiency, renewable energy and transport have been hired to provide support to DAEs, in coordination with NDAs.

66. In 2020, the Secretariat approved technical assistance for 17 projects, and the target for 2021 is 35 projects. The Secretariat has also contracted 3 project development firms to complement the support provided by 6 individual project development consultants. This is expected to enable the Secretariat to increase the breadth and depth of support provided to

⁸ A caveat is warranted here due to EWPs no longer being required for national DAEs but only for regional DAEs.

⁹ Includes pre-accreditation and post-accreditation capacity building, training, technical assistance, and knowledge sharing and learning, including through South-South exchanges

¹⁰ Readiness grant MUL-RS-001 (AFD as the delivery partner) provides support to eight accredited DAEs

DAEs and to accelerate the preparation of DAE funding proposals that need “last mile” assistance to get through the review process as quickly as possible.

67. As of May 2021, the Secretariat has approved PPF requests for a total amount of USD 18.6 million. Nine active PPF requests are still in the pipeline for a total amount of USD 6.3 million. To further accelerate PPF support, the Secretariat has completed the procurement process to roster eight firms that can provide project preparation services. This will enable DAEs to quickly receive project development support where they prefer pre-procured services instead of grants.

68. The table below includes information on project preparation technical assistance and PPF support that has been provided to DAEs by the Secretariat.

Table 3: Readiness Technical Assistance for CN/FP Development and Project Preparation Support

DAE	Country	Project/programme or Readiness Project Name	Sector	Latest Stage	Support programme
ADA_Morocco	Morocco	Development of an Integrated, Sustainable and Resilient Agricultural Project to Climate Change in the Souss Valley	Public	(NOT IN USE) 06. Stage 4: Completeness check finalized	PPF
AEPC	Nepal	Mitigating GHG emission and increasing adaptive capacity through clean cooking solutions	Public	07. Stage 4: Inter-divisional review started	Readiness technical assistance
AWB	Tunisia	Catalysing financing of Tunisian IPPs with local financial institutions under the renewable energy authorisation framework	Private	02. Stage 3: CN answered	Readiness technical assistance
BNDES	Brazil	More Light for the Amazon	Private	00. PI received	Readiness technical assistance
BOAD	Burkina Faso	Increasing people’s resilience in Koubri and BAKATA municipalities affected by rainwater floods and climate change shocks through Adaptation-based Approach for ecosystem, forest, water resources and river basins management in Burkina Faso	Public	05. Stage 4: FP answered	Readiness technical assistance
	Niger (the)	Hydro-agricultural development with smart agriculture practices resilient to climate change in Niger	Public	07. Stage 4: Inter-divisional review started	Readiness technical assistance PPF
CABEI	Costa Rica	Analysis and Implementation Feasibility Study Fast Train Passenger Project	Public	12. Stage 5: iTAP recommended	PPF
	Multi-country	Ecosystem-based Adaptation to increase climate resilience in the Central American Dry Corridor and the Arid Zones of the Dominican Republic	Public	12. Stage 5: iTAP not recommended	Readiness technical assistance
CAF	Colombia	Low-Emission and Climate Resilient Agriculture in Colombia	Public	05. Stage 4: FP answered	PPF
		Sustainable Transport for Intermediate Cities: Pasto, Pereira, Monteria, Valledupar (STIC Program)	Public	02. Stage 3: CN answered	PPF
	Ecuador	Climate Change: The New Evolutionary Challenge for the Galapagos	Public	05. Stage 4: FP answered	Readiness technical assistance
CCCCC	Barbados	The R’s (Reduce, Reuse and Recycle) for climate resilience wastewater systems in Barbados (3R-CReWS)	Public	02. Stage 3: CN answered	PPF
	Belize	Arundo donax Renewable Bio-mass Fuel for Belize	Public	02. Stage 3: CN answered	PPF



DAE	Country	Project/programme or Readiness Project Name	Sector	Latest Stage	Support programme
		Building the Adaptive Capacity of Sugarcane Farmers in Northern Belize	Public	03. Stage 3: CIC2 PPF approved (CN)	PPF
	Multi-country	Mainstreaming Coral Reef Resilience and Restoration as an Ecosystem-based Adaptation Strategy to Climate Change in the Caribbean Region (MaCREAS)	Public	05. Stage 4: FP answered	Readiness technical assistance
CDB	Bahamas	Climate Resilience of the Water Sector in The Bahamas	Public	03. Stage 3: CIC2 PPF approved (CN)	PPF
	Belize Jamaica Saint Lucia	Transforming Finance to Unlock Climate Action in the Caribbean	Private	03. Stage 3: CIC2 endorsed (CN)	PPF
	Grenada	Grenada – Leapfrog to Energy Efficiency Project (G-LEEP)	Public	05. Stage 4: FP answered	Readiness technical assistance
CRDB	Tanzania	Tanzania Agriculture Climate Adaptation Technology Deployment Programme.	Private	07. Stage 4: Inter-divisional review started	PPF
CSE	Senegal	Climate-Smart Agroforestry-based Entrepreneurship Programme (PAAFE-Climate) in Senegal	Public	02. Stage 3: CN answered	Readiness technical assistance
DBSA	South Africa	Public and Private Sector Energy Efficiency Programme (PPSEEP)	Private	00. PI received	PPF
		SA Water Reuse Programme	Public	02. Stage 3: CN answered	PPF
		Waste Management Flagship Programme	Public	02. Stage 3: CN answered	PPF
Ecobank	Ghana	Accelerating Solar Action Programme	Private	07. Stage 4: Inter-divisional review started	Readiness technical assistance
FMCN	Mexico	River Restoration for Climate Change Adaptation (RIOS)	Public	Board approved	Readiness technical assistance
FondoAccion	Colombia	Low emissions cattle ranching landscape: a sustainable and climate responsive alternative for rural development in Colombia	Public	02. Stage 3: CN answered	Readiness technical assistance
FundacionAvina	Mexico	Enhancing the resilience of vulnerable families in Mexico City to the impacts of climate change on water	Public	03. Stage 3: CIC2 PPF approved (CN)	Readiness technical assistance PPF
IDCOL	Bangladesh	Climate Resilient Coastal Forestry in Bangladesh	Public	02. Stage 3: CN answered	PPF
		Promoting private sector investment through large scale adoption of energy saving technologies and equipment for textile sector of Bangladesh	Private	Board approved	PPF
JSBank	Pakistan	Pakistan Rooftop Solar Program	Private	06. Stage 4: CIC2 endorsed (FP)	Readiness technical assistance
Landbank	Philippines	Multi-Hazard Impact-Based Forecasting and Early Warning System for the Philippines	Public	Board approved	Readiness technical assistance
MCT	FSM	Climate resilient food security for farming households across the Federated States of Micronesia (FSM)	Public	Board approved	Readiness technical assistance
MFEM	Cook Islands	Building Resilient and Healthy Cook Islands Communities	Public	03. Stage 3: CIC2 PPF approved (CN)	Readiness technical assistance
					PPF

DAE	Country	Project/programme or Readiness Project Name	Sector	Latest Stage	Support programme
MOE_Rwanda	Rwanda	Green City Pilot	Public	02. Stage 3: CN answered	PPF
		Mainstreaming Climate Smart Planning and Implementation into Agricultural Development	Public	02. Stage 3: CN answered	Readiness technical assistance PPF
		Transformative green development for the Congo Nile Divide: Stimulating investment in developing sustainable economies through enhanced environmental services and climate resilience	Public	03. Stage 3: CIC2 PPF approved (CN)	Readiness technical assistance PPF
NCDDSecretariat	Cambodia	Local Governments and Climate Change III (LGCC3)	Public	02. Stage 3: CN answered	Readiness technical assistance
NEMA	Kenya	Devolved climate change governance to strengthen resilience of communities' in target counties	Public	12. Withdrawn	PPF
		Enhancing community resilience and water security in the Upper Athi River Catchment Area, Kenya	Public	12. Stage 5: iTAP not recommended	Readiness technical assistance
NRSP	Pakistan	Climate resilient adaptive practices to address water scarcity for remote rural communities in Pakistan	Public	02. Stage 3: CN answered	Readiness technical assistance
		Strengthening REDD+ for Result-based Payments in Pakistan (SRRP)	Public	02. Stage 3: CN answered	Readiness technical assistance
PKSF	Bangladesh	Extended Community Climate Change Project-Drought (ECCCP- Drought)	Public	05. Stage 4: FP answered	Readiness technical assistance
PTSMI	Indonesia	Bus Rapid Transit Development in Semarang	Public	02. Stage 3: CN answered	Readiness technical assistance PPF
SANBI	South Africa	Scaling up ecosystem-based approaches to managing climate-intensified disaster risks in vulnerable regions of South Africa	Public	02. Stage 3: CN answered	Readiness technical assistance
SPC	Tonga	Towards climate change resilient coastal fisheries and aquaculture in Tonga	Public	02. Stage 3: CN answered	Readiness technical assistance
	Vanuatu	Enhancing Adaptation and Community Resilience by Improving Water Security	Public	03. Stage 3: CIC2 PPF approved (CN)	Readiness technical assistance PPF
XacBank	Mongolia	Mini-grid/off-grid Solution for Ger Area	Private	02. Stage 3: CN answered	PPF
		Mongolian Green Finance Corporation	Private	Board approved	PPF

V. Towards an Integrated Approach for DAE Support

69. Addressing the numerous challenges faced by DAEs and maximizing the impacts of GCF investments through the direct access modality would require a holistic and time-sensitive approach that pays attention to DAE characteristics (accreditation scopes, public versus private DAEs, etc.), the capacity of the DAEs being accredited, constraints of the Secretariat, and the decisions of the Board.

70. Based on the factors described in the situation analysis, the Secretariat is proposing three recommendations with actions under each of these recommendations to broaden support

to countries and DAEs with the ambition to increase direct access engagement. These recommendations are:

- (a) Support for Strategic Nomination and Accreditation of DAEs to the GCF;
- (b) Support for DAE Project Development; and
- (c) Support for Capacity Building and Institutional Strengthening.

71. The actions proposed under each of these recommendations is expected to provide a more integrated approach to supporting DAEs. The actions propose solutions that begin with encouraging strategic entity nomination, to providing end-to-end project development assistance that leads to project approval, while building national and institutional capacities along the way. In doing so, the integration of each of these recommendations along the entire programming cycle is expected to lead to greater DAE engagement within the GCF-1 period.

5.1 Support for strategic nomination and accreditation of DAEs to the GCF

72. The Secretariat needs to support countries to attract and nominate DAE candidates that can deliver on country-driven priorities while also meeting the Board-adopted USP. This requires working with Delivery Partners and NDAs to continue deploying more targeted Readiness support that builds country-owned pipelines and then identifies which national-level entities would be best-positioned to deliver on those pipelines.

73. This must be a two-pronged approach that (i) accommodates country ownership while (ii) encouraging countries to be more deliberate in nominating only those entities which can provide the greatest opportunities to the country to deliver on national priorities through accessing climate finance. This means nominating entities that have at least some experience of working with development partners and with non-grant instruments. Selecting organizations from the private sector and those that have experience in or ideas on developing adaptation interventions could be of particular strategic interest to countries. Such entities broaden countries' scope of opportunities to access climate finance.

74. While this can be a challenge for many countries, there are multiple ways that GCF can support countries in nominating the most strategically aligned organizations to deliver on countries' priorities. Some of this is already happening through Readiness and other related technical advisory support that the Secretariat is deploying, but there is still scope for the Secretariat and Readiness Delivery Partners to provide more advice and guidance to countries on selecting and nominating only those entities that strategically align with countries' climate investment priorities. Without this alignment, countries are at a disadvantage in directly accessing GCF resources.

75. Some options to increase strategically aligned nominations include:

- (a) Continue using Readiness resources to support countries to identify their climate change priorities, such as through GCF Country Programs, and advising countries on selecting entities most capable of delivering on those priorities.
- (b) The Secretariat can make countries and entities more aware of the business standards needed in order to deliver GCF finance. This includes providing more information, training, and peer-to-peer learning on how the entities would need to develop projects that align with GCF's Investment Criteria and policies.
- (c) The Board could consider reinstating an accreditation prioritization decision that directs the Secretariat to prioritize nominations from organizations that meet broader

criteria (for example, private sector organizations, working with multiple instruments, with ideas for adaptation related investments). Other criteria could include aspects such as prioritizing DAEs with a special focus on those coming from high vulnerability countries. The Board has a precedent of this from previous decisions, and it could be reconsidered with new prioritization criteria that could support achieving the objectives of the USP for the GCF-1 period.

- (d) Continue using Readiness resources to identify accreditation gaps of nominated entities.
- (e) Continue using Readiness resources to address the identified gaps.
- (f) Continue using Readiness resources to support nominated entities in submitting accreditation documentation.

76. Related to the strategic nomination of entities is ensuring that there is senior level buy-in by the organization to commit to the accreditation process. The Secretariat recommends that when an entity is nominated by the NDA, the Secretariat's regional team receive a commitment letter from the nominated DAE that signals four things: (i) the entity's senior executives commit to undertake the accreditation process; (ii) senior executive commitment to form a dedicated team at the entity to carry-out the accreditation process from the entity's side; (iii) a high-level plan showing the timeframe for which the entity can commit to delivering each of the milestones in the accreditation process; and (iv) an indication of 1-2 investment ideas that the entity intends to undertake that aligns with the country's priorities.¹¹

77. This upfront commitment signals the importance that the entity places on providing the resources and efforts needed to carry-out the GCF accreditation process. Without commitment and continuous efforts by the entity to carry out the accreditation steps, entities have languished in the accreditation pipeline, which has created tremendous backlog and consumed valuable Secretariat resources from being able to process other entities. This is also unfair to those entities in the pipeline that are otherwise more committed and expending resources to keep advancing through the process.

78. As more organizations that are strategically aligned to deliver on country priorities get nominated and accredited, the DAE portfolio should be in a better position to deliver on programming goals – for the USP targets by 2023 and into the future.

5.2 Support for DAE project development

79. Project development support provided by Delivery Partners funded through existing Readiness proposals has traditionally ended at the point of finalizing a Concept Note. The Secretariat has recognized that this has not been a sufficient approach and will work more closely with Delivery Partners to ensure that they can provide support to DAEs on project development all the way through Board approval. This will be a key shift in the way Delivery Partners have been currently working with DAEs on project development.

80. Requesting the Delivery Partner's involvement all the way through Board approval extends the Delivery Partner's timeframe and scope of activities to support DAEs in the project development cycle, but this is necessary to ensure that concept notes translate into high-quality funding proposals that are ready for Secretariat feedback, ITAP review, and eventually Board approval. Considering that along each of these stages DAEs have shown the need for support to

¹¹ Ideally, the entity would be identified within the country's GCF Country Program. This would already signal that the project(s) mentioned within this commitment letter broadly align(s) with GCF's mandate. This approach would also decrease the time from when a DAE is accredited to the time it begins conceptualizing a project idea and brings it to the GCF for Board approval. The more upfront planning and conceptualization an entity can do – even prior to accreditation – the sooner it should be able to deliver results to the country.

mature and progress on the project's development, having a Delivery Partner supporting the DAE is critical.

81. In order to ensure this end-to-end project development support will be made available, the Secretariat will review any forthcoming Readiness proposals that include activities on DAE concept note development to also include and budget for additional activities that request the Delivery Partner to continue being retained through all stages of the project development cycle. These services will need to be scoped and costed by the Delivery Partners and included in Readiness proposal submissions to the Secretariat, which are likely to increase the cost of project development services, but the value of integrating the support from project conceptualization through approval is also likely to increase the chances of having DAE proposals make it to Board approval. This far outweighs the current situation where often times concept notes are funded but then remain undeveloped due to DAE constraints.

82. Although the Secretariat will commence this end-to-end approach with Delivery Partners going forward, there are other actions that will also be undertaken to support DAEs in developing high-quality funding proposals aligned with country priorities. This can be achieved through strategic and active engagement with DAEs throughout the project development cycle, while focusing on the following areas: the development of climate science basis for concept notes and funding proposals; the articulation of clear logical frameworks and theories of change; and support for aligning project ideas to GCF's Investment Criteria.

83. Some options to support DAE project development include:

- (a) Working closely with NDAs to ensure continued support provided to the DAEs, including close coordination on relevant pipeline development based on country priorities, relevant allocation of Readiness grants for needed capacity building of DAEs, and coordinated support by NDAs during project development and review of the GCF.
- (b) Developing online training modules for DAEs on GCF project development and implementation, including on environmental and social impact assessment, monitoring and evaluation (M&E), and gender, as well as on how to develop SAP Concept Notes, Funding Proposals, and EDA proposals.
- (c) Deploying targeted Readiness resources to support DAEs in provisioning climate data and information to build-out the climate science basis of projects. This is expected to come on-line through forthcoming GCF-WMO guidance and expert-led support.
- (d) Continue deploying Readiness resources for project preparation technical assistance through individual consultants and firms to support DAEs in developing GCF-aligned concept notes or funding proposals.
- (e) Allow DAEs which are in the final stage of accreditation to access project preparation technical assistance and PPF support (when needed) to accelerate the submission of concept notes or funding proposals to the Secretariat.
- (f) Continue deploying standardized PPF modality for DAEs to make it easier and faster to access resources and technical assistance for project preparation, including developing specific rapidly deployable PPF technical assistance.
- (g) Promote peer-to-peer learning through lessons learned and knowledge and experience sharing webinars/workshops at the national and regional levels (e.g. Asia café¹², CPDAE

¹² The Asia Café concept is an initiative being tested in the Asia-Pacific region. It aims to i) create an informal platform for the GCF Secretariat to engage and network with country partners through a Community of Practice; ii) promote and facilitate the cross-fertilization of ideas to encourage informal peer-to-peer learning and sharing of experience within a country and between countries

knowledge sharing platform, etc.). This could also include leveraging strategic partnerships to provide more peer-targeted support to DAEs.¹³

- (h) The Board to consider a decision on the Project Specific Accreditation Approach (PSAA).
- (i) Further simplify and streamline the SAP to make funding more accessible to DAEs.

5.3 Support for capacity building and institutional strengthening

84. A key aspect of driving increased DAE engagement is ensuring that sufficient capacity building and institutional strengthening occur at the entity and also at the national level through the NDA. NDAs need the capacity to fully understand national circumstances, identify areas where there is a need for climate finance, and then pull on the right partners (DAEs or otherwise) to deliver on those areas. Without this, interventions will continue to be uncoordinated, fragmented, and ad hoc.

85. GCF's Readiness program can fund capacity building and institutional strengthening activities but needs to be used in a strategic manner that delivers support to NDAs and DAEs toward increasing coordination, planning, and eventual country-aligned concept note development. Because DAEs are channels of climate finance, this makes it critical that NDAs more closely coordinate with DAEs and include their needs into the Readiness planning cycle.

86. It is possible that not all climate finance needs may be fundable through direct access. In such cases, closer coordination at the national level with a wider array of stakeholders, including international access entities (IAEs) needs to occur. In instances where direct access finance may not be able to support the full scope of financing needs, NDAs could promote concept ideas with twinning arrangements between IAEs and DAEs, or between IAEs and potential DAEs or other national partners.

87. These arrangements can be formalized through project structures with IAEs taking a leading role in projects and DAEs acting as executing entities (or vice versa when possible); or the arrangements can be informal whereby the NDA fosters increased coordination and collaboration between IAEs and DAEs (or potential DAEs) so that national entities can use the opportunity to build their capacity.

88. Ultimately, NDAs, DAEs, and other national entities need to be capacitated and strengthened to program investments that make the best use of available partners, donors, and other resources.

89. Some options to support capacity building and institutional strengthening include:

- (a) The Secretariat revise the Readiness proposal template to include a section that specifically calls for NDAs and/or Delivery Partners to articulate whether (i) consultations took place with the national DAE(s) and (ii) whether any capacity building and institutional strengthening needs deriving from such consultations have been included within the Readiness activities being proposed. This should ensure that there is coordination between the NDA and DAEs at least during the Readiness development cycle, and the NDAs were able to consider the needs of the DAEs as important channelers of climate finance into the country.

within the Asia region; and iii) unlock unintended barriers between GCF and its partners with clear messaging that the Secretariat is available to help and support countries' efforts to access GCF resources.

¹³ An example of this type of partnership includes the International Development Finance Club (IDFC), which collaborates on supporting public development banks that are DAEs to the GCF.

- (b) The Secretariat revise the Concept Note and Funding proposal templates to include a section that specifically calls for IAEs to articulate whether (i) consultations on project design took place with national DAE(s) and (ii) if there was feasibility to include the DAE into the project structure. This should ensure that IAEs have made a concerted effort to include DAE engagement within the project development cycle. The Secretariat is already requesting IAEs to indicate within their Entity Work Programs how they will work with DAEs, but it is important that IAEs demonstrate that they have taken the steps during project design and development to consult with DAEs in determining whether there could be any participation from their side. Even if the DAE does not join as part of the project structure, the learnings from that engagement serve as a capacity building opportunity.
- (c) The Secretariat develop dedicated capacity building service offerings as standard packages that can be plugged into Readiness proposals upon country requests. These packages can include capacity building for areas such as: support for sector diagnostic and investment planning; development of the climate science for concept notes and funding proposals; trainings on ESS, gender, M&E, and other GCF policies; and other offerings that the Secretariat can continue to identify as demand gets expressed by DAEs.
- (d) The Secretariat develop relevant capacity building materials especially targeted for DAEs, and both deploy these, and encourage partners to use these materials to build DAE capacity in their areas or regions of work. Working closely with partners, the Secretariat can ensure that all DAEs are covered with capacity building programmes in this way.
- (e) The Secretariat launch targeted programming and capacity building types of events. These could be a platform for project design/development clinics where DAEs come to discuss their specific issues, hurdles, and receive advice from GCF staff or assigned TA consultants and share experience/expertise across themes or regions. The Secretariat used to host an “Empowering Direct Access” workshop and can restart this initiative based on regional interest.

Embedding Expert Support into DAEs

90. In addition to the variety of actions proposed above, the Secretariat can also consider retaining firms that can provide embedded support to DAEs right from accreditation through to funding proposal approval by the Board. This full-service value chain approach, where a firm is embedded within the DAE, would allow for significant handholding support due to the continuity it provides. As the DAE goes through the full cycle from accreditation to concept development to full project design and structuring through developing a funding proposal up to Board approval, the expectation is that learnings would be imparted, and capacity would be built within the DAE to then manage subsequent cycles of concept note and funding proposal development on its own (or with limited needed expertise).

91. The Secretariat can offer in-depth and dedicated training for embedded consultants in DAEs, which can look to be funded via Readiness allocations of the respective countries. This dedicated training can also be offered to build a cadre of consultants that work directly with DAEs. When space allows, this training can also be extended to DAE staff who work with projects. This training can be done by region, by topic or theme, or by language.

Dedicated DAE Manager

92. Another intervention that is expected to drive programming with DAEs is the Secretariat’s hiring of a DAE Manager who will be dedicated to coordinating delivery of support to DAEs for the various needs they face. The DAE Manager will be responsible for developing

and managing initiatives to provide technical assistance and capacity building support to DAEs to develop and implement transformational projects; developing plans to address DAE needs; and developing knowledge products to support DAEs capacity development.

Other Recommendations

93. The Secretariat is also proposing a few other recommendations that can be applied as needed in order to achieve greater DAE engagement. These include:
- (a) Partnering with other organization such as USAID, IDFC, IRENA, GGGI, GEF, AF, and others which also provide support to national entities.
 - (b) Supporting DAEs to develop an institutional coordination mechanism with NDAs.
 - (c) Revising the Readiness program to include a dedicated funding window and support for DAEs.
 - (d) Consider developing a dedicated DAE focused team in the Secretariat to work with DAEs on developing projects.
 - (e) Develop regional project incubators and accelerators with partners.¹⁴ This could be designed thematically, geographically or both.

¹⁴ An example of this can be found at: <https://www.climatefinancelab.org/>

IV. Achieving Results

The below table summarizes the situation, recommendations, proposed actions, and expected results from implementing this action plan.

Situation Factors	Recommendations	Proposed Actions	Expected Results
<p>1.) Limited Diversity of Accredited DAEs</p> <ul style="list-style-type: none"> • The vast majority of DAEs are from the public sector (79%). • The accreditation scope of most DAEs limits project (re)design options. • Most DAEs are accredited for grants. 	<p>Provide Support for Strategic Nomination and Accreditation of DAEs to the GCF</p>	<ul style="list-style-type: none"> • Support countries to identify their climate change priorities and selecting DAEs that can delivery on those priorities. • Make countries and entities more aware of the business standards needed in order to deliver GCF finance. • Consider reinstating a Board-level accreditation prioritization decision. • Continue using Readiness resources to identify accreditation gaps of nominated entities. • Continue using Readiness resources to address the identified gaps. • Continue using Readiness resources to support nominated entities in submitting accreditation documentation. 	<ul style="list-style-type: none"> • Increased programming from DAEs due to a larger and strategically aligned portfolio. • A more diversified portfolio of DAEs that can operate at scale and support achieving GCF's USP goals.
<p>2.) Project Development Challenges</p> <ul style="list-style-type: none"> • Lack of concept notes being translated into investable funding proposals. • Lack of capacity to articulate the climate science basis of proposed projects. • Lack of capacity to develop an appropriate theory of change and log frame. • Lack of understanding of GCF's Investment Criteria; ESS, gender, and other policies. • DAEs do not have enough experienced technical staff/experts to support project (re)design and development. 	<p>Provide Support for DAE Project Development</p>	<ul style="list-style-type: none"> • Request Delivery Partners which are supporting DAEs in developing concept notes to continue retaining their services through the full project development cycle, from concept note development, to funding proposal development, to Secretariat feedback, to ITAP review, through Board approval to provide an end-to-end solution. • Develop online training modules for DAEs on GCF project development. • Deploying targeted Readiness resources to support DAEs in provisioning climate data and information to build-out the climate science basis of projects. • Continue deploying Readiness resources (and PPF, when requested) for project preparation technical assistance through individual consultants and firms. • Allow DAEs which are in the final stage of accreditation to access project preparation technical assistance and PPF support. • Promote peer-to-peer learning. • The Board to consider a decision on Project Specific Accreditation Approach (PSAA). • The Board to further simplify the Simplified Approval Process (SAP). 	<ul style="list-style-type: none"> • Increase in the DAE share of high-quality funding proposals developed, submitted, and approved by the GCF Board. • Increased share of DAE programming likely to be achieved during GCF1.
<p>3.) Weak Coordination at the National Level</p> <ul style="list-style-type: none"> • Lack of planning, sequencing, and prioritization of investments at the country level. • Weak coordination between NDAs and DAEs during the Readiness planning cycle. • Lack of clear climate change strategy. 	<p>Provide Support for Capacity Building and Institutional Strengthening</p>	<ul style="list-style-type: none"> • Revise the Readiness proposal template to include a section that requires DPs and NDAs to articulate on coordination between NDAs and DAEs to ensure any DAE support requests are considered in the Readiness cycle. • Revise the Concept Note and Funding Proposal templates to include a section that specifically requires IAEs to articulate their consultations with DAEs in project development. • Develop dedicated capacity building service offerings as standard packages that can be plugged into Readiness proposals upon country requests. • The Secretariat launch targeted programming and capacity building types of events. 	<ul style="list-style-type: none"> • More effective coordination between NDAs and DAEs at the national level to promote country-aligned channeling of climate finance. • Greater alignment in ensuring DAEs are strengthened and better capacitated to deliver on country priorities.

Annex II: Long-term vision on complementarity, coherence and collaboration between the Green Climate Fund and the Global Environment Facility

1.1 Overview and background

1. This document presents a long-term vision on complementarity and coherence for collaboration between the GCF and the Global Environment Facility (GEF), herein after referred to as LTV. This new vision aims to build on the Pilot Coordinated Engagement exercise the GCF and GEF have been carrying out since 2018, and further define specific areas of cooperation, where complementarity of action might be most efficient and effective, and possible modalities to generate long-lasting outcomes and outputs in climate change adaptation and mitigation.

2. The visions and missions of the GCF and GEF are partially shared but mutually reinforcing. The vision of the GCF is to promote the paradigm shift towards low-emission and climate resilient development pathways in the context of sustainable development, and to support the implementation of the Paris Agreement and the United Nations Framework Convention on Climate Change (UNFCCC) mandates to both Funds. The GEF's mission is to safeguard the global environment by helping developing countries meet their commitments to multiple environmental conventions and by creating and enhancing partnerships at national, regional, and global scales based on the principle of sectoral integration and systemic approaches to project and programme financing.

3. While the GEF serves as a/the Financial Mechanism for UNFCCC, the Convention on Biological Diversity (CBD), the United Nations Convention to Combat Desertification (UNCCD), Minamata Convention on Mercury, and the Stockholm Convention on Persistent Organic Chemicals, both Funds are operating entities of the Financial Mechanism for the UNFCCC and receive guidance from the UNFCCC Conferences of the Parties (COPs). Parties to CBD and CCD have recently included GCF as part of its decisions for resource mobilization as well as cooperation.

4. With recognition of similar mandates, both funds have been enhancing their collaboration over the years through regular exchanges at the Secretariat level, organization of Climate Finance Dialogues, and a Pilot Coordinated Engagement. Since the GEF-6 period (July 2014 to June 2018), the GEF has also incorporated elements on complementarity and coordination in the Programming Directions documents. Since 2017, the GCF guides its complementary actions with other climate finance delivery channels through the Board's approved operational framework for complementarity and coherence.²⁸

1.2 Serving the UNFCCC in the climate finance landscape

5. The proposed LTV on Complementarity is developed to further respond to multiple guidance from Parties on the important issue of complementarity. In UNFCCC Decision 8/CP.21, paragraph 14, the COP welcomed the efforts to date of the GEF to engage with the GCF and encouraged both entities to further articulate and build on the complementarity of their policies and programmes within the Financial Mechanism of the Convention.

6. The subject of complementarity is also part of the review of the UNFCCC Financial Mechanism. Most recently, upon completion of the sixth review of the Financial Mechanism, the COP in November 2017 took note of the efforts made by the operating entities of the Financial Mechanism to enhance complementarity and coherence between them and between the operating entities and other sources of investment and financial flows in decision 11/CP.23

²⁸ Available at <<https://www.greenclimate.fund/document/operational-framework-complementarity-and-coherence>>.

paragraph 2. Parties also requested that the operating entities of the Financial Mechanism continue to enhance complementarity and coherence in paragraph 3 of the same decision.

7. In the context of the Sustainable Development Goals (SDGs), while the GCF serves UNFCCC exclusively, there is growing recognition among countries that the GCF can mobilize resources to support projects that have benefits beyond the specific focus on climate change, due to the integrated and systemic nature of environmental issues that countries face. Additionally, the potential contribution of the GCF to support the implementation of the post-2020 Biodiversity Framework has been part of ongoing discussions, and efforts are underway with regards to scaling up the GEF's work in support of desertification in the Great Green Wall (GGW). For the GEF, its work contributes to the SDGs and also responds to Convention guidance and decisions related to the SDGs from CBD and UNCCD COPs. While the GEF is not the Financial Mechanism for the SDGs, its activities produce global environmental benefits that play a role in achieving the aims of the SDGs, in particular the goals on climate action, life below water, and life on land, reflecting the GEF's core mission.

1.3 Ongoing collaboration and opportunities

8. The LTV is building on experiences gained from ongoing collaboration and responding to COP mandates and to the needs of developing countries.

9. The Pilot Coordinated Engagement was launched at the GEF-6 Assembly in June 2018 by the GEF CEO and GCF Executive Secretary at the time, as partnership efforts and interest from countries evolved towards more concrete actions. The two Funds also organized events to raise awareness about the initiative and to share some early lessons learned at UNFCCC COP 24 in December 2018 and COP 25 in December 2019.

10. The Pilot Coordinated Engagement aims to support countries to strategize and synergize the programming of resources available at the GEF and GCF on a pilot basis, while keeping in mind sequencing, complementarity of support and other factors in a manner that ultimately maximizes and optimizes the benefit and impact of those resources. Among the expected outcomes, the initiative looks to:

- (a) Enhanced channels for communication between different focal points;
- (b) Coordinated development of a country programme/plan that utilizes opportunities across the climate finance landscape as part of the process of engaging existing and prospective implementing entities to identify practical steps to enable implementation of the country's strategies;
- (c) Early identification of, and solutions to, issues that may arise throughout the collaborative engagement process; and
- (d) Lessons learned on how to enhance coordination among GCF National Designated Authorities, GEF Operational Focal Points, and Agencies/Entities to improve support to help the country realize a paradigm shift mainly through cross-sectoral approaches in its efforts to achieve low-emission and climate-resilient development.

11. **Progress and results to date:** The Pilot Coordinated Engagement has generated some early fruits of collaboration, with concrete projects. The initiative has also provided a platform to discuss collaboration on major initiatives, such as the GGW, Amazon Landscapes, and e-mobility as follows:

- (a) **Lao PDR:** Following a joint national workshop and consultations, a proposal to the Least Developed Countries Fund (LDCF) on climate smart agriculture was submitted and approved by the LDCF/SCCF Council in June 2019. The proposal was informed by the readiness support provided by the GCF, and enables early landscape-based support to be rolled out with GEF support to enhance resilience of upland communities that are

- especially vulnerable to climate change impacts. It is expected to contribute to the requested GCF investments to bring LDCF interventions to scale;
- (b) ***Pacific SIDS:*** The project in the Pacific (Kiribati, Solomon Islands, Tuvalu, and Vanuatu) on climate resilient urban development uses LDCF support to further adapt the water and sanitation sector to climate change, decrease community vulnerability for climate proofing. The GCF, Asian Development Bank and the World Bank are mobilizing larger-scale infrastructure-related investments in a complementary manner. The GEF Council approved the concept in June 2019;
 - (c) ***Mauritius:*** The GEF and GCF, along with the country and agency discussed tandem support for a low-carbon transport project. The GEF supports introduction of electric buses on feeder lines of the new light rail around the capital, while the GCF readiness support will be used in parallel to make a plan to scale up from the buses financed by the GEF. The GEF Council approved the concept in December 2019. The Mauritius project is also part of the GEF's e-mobility agenda and will be linked back to the Global Electric Mobility Program through participation to activities and learning from the outcomes of the programme's global components. This model is also being considered for other countries, such as South Africa and Costa Rica;
 - (d) ***Collaboration on major initiatives:*** Beyond country programming, the GEF and GCF began discussions on collaboration on major flagship initiatives in 2019. These flagships include: GGW, Amazon landscape initiatives, e-mobility, sustainable cities, and private sector blended finance. Following a number of high-level discussions on GGW at UNCCD COP 14 (September 2019) and on GGW and Amazon at the margins of the UN Secretary General's Climate Action Summit (September 2019), the two secretariats organized consultations in Washington, DC in 2019 and virtually several times in 2021 to discuss progress and the way forward. Based on this discussion, the GEF and GCF continue to engage in discussions and elaborate possible support, especially on the GGW and its new phase;
 - (e) ***Joint COP 25 events:*** The GEF and GCF organized a high-level panel discussion titled "GEF/GCF Coordinated Engagement in the next NDC Cycle" in December 2019 at the joint GCF-GEF COP pavilion. Experiences from Lao PDR and Mauritius were shared by their Vice Ministers. The Senegalese Minister and high-level official from Ecuador also shared their perspectives on coordinated support for the GGW and the Amazon Sustainable Landscapes; and
 - (f) ***Models/pathways of coordination:*** The two funds have been mapping models/pathways on support to countries. For project/programme financing, these include: (1) scaling up previous GEF projects with GCF resources; (2) piloting projects with GEF-7 for future scaling up with GCF, with GCF co-financing for the Project Preparation Facility (PPF); and (3) parallel financing. Another important model/pathway demonstrated multiple times to date include: GEF projects to be informed by GCF readiness support and planning exercises.

1.4 Building a long-term vision on complementarity

12. **Shared goals, values and policies:** The GEF and GCF are both committed to the overall goal of UNFCCC and the implementation of the Paris Agreement and its decisions. Both funds value country-driven approaches and ownership, maximizing impact, transformational change/paradigm shift, efficiency and effectiveness, and adhere to the highest international practice on risk management, transparency and accountability, environmental and social safeguards, gender policy and fiduciary standards.

13. **Differences and unique strengths:** There are differences in business practices, funding cycles and operational practices in place to serve specific needs of each fund. Each fund has its own strengths and comparative advantages:

14. **GEF's strengths and uniqueness:** Focusing upstream on the enabling environment to support broader public and private climate investment, including through policy, legal, and regulatory reform and capacity-building (IEO, 2017); strong evidence of contribution to innovation and institutional strengthening in addition to climate adaptation benefits (IEO, 2020); explicit mandate to address synergistic results in the areas of climate, biodiversity, land degradation and chemicals; enabling countries to maximize multiple benefits across the Conventions; history of supporting technology transfer and openness to take risks; leaving no one behind with a country allocation system that countries can access every four years; availability of LDC-specific support for climate adaptation that eliminates the need to compete for support with higher-capacity countries; 30 years of on-the-ground experience, partnerships and networks, nimbleness and effectiveness, high political profile; ability to address root causes of the pandemic and offer systemic solutions for green recovery; role and opportunity to support national and local plans and efforts to recover and re-build better, towards more sustainable, resilient, inclusive, and safer economies and societies that can withstand future shocks from climate change, natural and manmade disasters, and other global challenges.

15. **GCF's strengths and uniqueness:** Focus dedicated to climate change and maximizing climate benefits balancing and optimizing synergies between mitigation and adaptation; with presence of significant number of diverse national entities ranging from ministries to national NGOs to commercial banks operating through a collaborative and partnership-based business model; enabling countries and accredited entities (AEs) to choose from a flexible range of financing instruments offered by the GCF and providing the ability to mobilize larger-scale blended finance for mitigation and adaptation. GCF financial instruments have been set up to take risks to unlock climate action and de-risk more conservative sources of finance to serve as an accelerator and amplifier for climate action.

1.5 Objectives

16. The LTV aims at enhancing the planning, implementation, and outcomes of the GCF and GEF investments in line with their respective strategic investment plans, supporting implementation of initiatives in current programming strategies and informing future programming periods in both funds. For that, this vision proposes that both funds work together to jointly progress in the following: I. Collaborative and coordinated programming; II. Sharing information, lessons learned and knowledge; and III. Communication and outreach:

1.5.1 Collaborative and coordinated programming

(a) **Coordinated support for major initiative and programming:** The two funds pledge to work together to support major initiatives with significant climate benefits (to the end of GEF-8/GCF-1). Examples include: GGW Initiative, Amazon Initiative, SFM-REDD+ initiative, one initiative each in SIDS and Asia, an LDC-focused initiative, and private sector oriented collaboration.²⁹ Private sector oriented collaboration could blend GEF grant financing with concessionary finance from the GCF Private Sector Facility in climate change adaptation and mitigation at the national and/or global level. Alignment with post-COVID-19 stimulus/climate resilient recovery efforts will be assessed and encouraged, to provide support in line with each Fund's strengths, as well as exploring mainstreaming gender as such collaborations are developed;

²⁹ Early potential examples of private sector oriented collaboration may include: Climate Resilience and Adaptation Finance and Technology Transfer Facility (CRAFT) and Land Degradation Neutrality Fund.

- (b) **Facilitation of national investment planning:** Support, through existing programming processes and communicating of the long-term vision on complementarity, country-owned national planning and priority setting for programming to utilize opportunities across the GEF and GCF in the context of the climate finance landscape to translate NDCs into investments, engaging existing and prospective implementing entities/agencies. Alignments with, and contributions to, post-COVID-19 stimulus and climate-resilient recovery efforts will be encouraged. Other partners, such as NDC Partnership and individual agencies can be invited to engage. The first phase of this facilitation of national investment planning will be supported upon request from the country, in up to five countries during the GEF-8/GCF-1 period;
- (c) **Develop a list of activities or programs each fund will prioritize:** The two funds will aim for better coordination and greater efficiency of project and programme preparation by streamlining consultation processes with countries, optimizing number of missions and consultants involved, and identifying potential duplication of funding, among others. The two funds will also identify a number of key common themes, and provide examples of respective focus and prioritize of each fund to articulate differences and minimize duplication.³⁰ This list will be included as part of a joint update to the GCF Board and GEF Council (described further in the section below); and
- (d) **Support collaborating financing platforms:** As part of the coordinated support for major initiatives (see objective 1 above), the two funds could support the establishment and deployment of collaborating financing platforms. Such effort can build on successful experiences among multilateral development banks (MDBs), considering the benefits, value additions and transaction costs.³¹

1.5.2. Sharing information, lessons learned and knowledge

- (a) **Information sharing, exchange and application of lessons learned from portfolio to strengthen implementation of projects and programmes:** The Funds will review and apply relevant lessons learned across institutions in areas of project monitoring, indicators, and other relevant aspects of project implementation to ease implementation for countries and partner entities/agencies, including experiences on promoting gender responsive actions; and
- (b) **Collaborate on development of methodologies and guidance to maximize climate impacts through strong project design:** The two funds agree to produce and use a set of guidance products and methodologies for designing projects and measuring their impact, to maximize emissions reduction and adaptation impacts.

1.5.3. Communication and outreach

- (a) **Communication and inclusion of long-term vision on complementarity in respective fund's Programming:** Relevant elements in this LTV will be included in the strategic documents in current and future replenishment and programming cycles. This includes providing clarity to partners thorough dissemination of a set of principles and guidance for stronger project design that takes into account complementarity and coherence in the same industry/sector across funds and regions, as well as clarifying activities or

³⁰ Examples of potential common themes include: (1) national adaptation plans (NAPs), where the GCF focus may be on the readiness and NAP preparations, while the GEF LDCF focus may be on the NAP implementation; (2) oceans, where the GEF focus may be on blue economy and marine/fisheries from biodiversity and international waters perspectives, while the GCF focus may be on blue carbon; and (3) GEF focus on grant support to pilot innovative adaptation technologies and facilitating private sector engagement, and GCF emphasis on mobilizing blended finance. The two funds will identify such themes and articulate the differentiation to minimize overlap.

³¹ One example is the MDB [platform to coordinate support for economic migration and forced displacement](#).

programs each fund will minimize through better coordination to reduce the costs of project and programme preparation by streamlining consultation processes with countries, decreasing the number of missions and consultants involved, better identifying potential duplication of funding, among others; and

- (b) ***Collaborate on communications, outreach, and sharing of lessons learned:*** The two secretariats will enhance outreach and communication efforts, and on sharing of lessons learned from coordination and complementarity efforts. This will include a joint announcement of the LTV by the GEF CEO and GCF Executive Director at UNFCCC COP 26, dialogues with interested contributors, and outreach efforts in the lead-up to the COP 26 and beyond.

1.6 Way forward

17. The GEF CEO and the GCF Executive Director will present this LTV document to the respective governing bodies in 2021, and instruct the secretariats to take this work forward as follows:

- (a) ***Establish a steering committee:*** The two secretariats will establish a steering committee that supports the planning and implementation of initiatives under the LTV;
- (b) ***Submit a joint update to the GCF Board and GEF Council:*** The two secretariats will prepare and submit a joint progress report to the respective boards every year on activities undertaken and results to date, highlighting how the two funds are supporting enhanced impact and outcomes through the implementation of the LTV. The first update will be provided in 2021. Sharing of views among the Board/Council members may be encouraged through a joint session/meeting, upon mutual agreement;
- (c) ***Commission a study on processes and policies:*** The two secretariats will conduct a thorough analysis of processes and policies of both funds to identify recommendations to support complementarity and coherence and assist developing countries and partners generate long-lasting results in climate change adaptation and mitigation; and
- (d) ***Include LTV in official documents:*** The two secretariats will commit to include relevant elements of the LTV in the GEF-8 programming directions and GCF-1 related documents.

Annex III: GCF People Plan: progress report

1. The purpose of the People Plan is to set out a pathway for strengthening people management and organization design and development practices, to help the GCF to become a faster, transparent, resilient and smarter organization, capable of delivering the Updated Strategic Plan (USP) and Theory of Change.

Our vision for 2023 is that the GCF will be an organization we are proud of, and which is able to attract, nurture, retain and deploy the diverse and talented people needed to deliver our ambitions and goals for GCF-1 and beyond.

2. The People Plan represents a transformation of how we currently think about and implement our people management and organizational design and development practices. It is a critical component of and closely aligned with our broader transformation programme, which includes work to increase transparency, the simplification and speeding up of processes (including access, accreditation and approval), delivery of the efficiencies identified in the USP, and the revision of Programming and Operations Manuals. It was developed through a consultative and collaborative effort across the Secretariat and the Independent Units, between the end of 2019 and the first half of 2020, with four underpinning key principles in mind:

- (a) The need to reflect and embed our five core values;
- (b) The fundamental belief that all our people at all times must treat one another with dignity, respect, equitably and fairly, irrespective of their status in the organization;
- (c) The need to foster a diverse workforce where there is gender equality, inclusion and a sense of belonging; and
- (d) The need to ensure a positive employee experience in a safe and enabling culture which allows our people to contribute, participate, innovate and thrive.

1.1 Strategic priorities and key results areas

3. The table below summarizes the four strategic priorities and the key results areas identified for 2021:

Build – get capacity	Collaborate – align the capacity	Enable – nurture the capacity	Transform – our HR&OD capacity
We have the diverse talent we need to deliver the USP and reach our ambitious vision and goals.	We collaborate effectively, internally and externally for impact and results driven by a sense of common purpose and values, and a shared vision for the future	We foster an enable a safe and respectful work environment where our people are engaged, heard, supported and can thrive, bringing their best selves to their best work	We have the HR&OD capacity to support the delivery of the Updated Strategic Plan, build a fit-for-the-future organization and deal effectively with crisis and turbulence
1. Ensure a “Fit for the future” organizational design and capacity	1. Embed our core values into GCF’s DNA	1. Design and implement initiatives which actively promote and support staff well-being	1. Reorient and adapt HR&OD infrastructure (policies, procedures and systems) to enable and deliver the PP
2. Implement a Talent Acquisition Strategy to attract the talent needed for GCF-1 and beyond.	2. Align our PMDS to ensure the contribution of individual performance to the USP, promote internal and external collaboration and	2. Actively and proactively create opportunities to increase levels of trust, engagement and retention of the talent needed to deliver the Updated	2. Align the capacities of the OHR team to support the delivery of the USP and the PP

	foster a high-performance culture	Strategic Plan and meet our work programme objectives.	
3. Welcome and prepare our new colleagues to rapidly integrate to our GCF way of work and deliver	3. Enable project team empowerment and delegation, embedding an agile and evidence-based approach to GCF work	3. Deal effectively and compassionately with interpersonal conflict and disputes	3. Define new HR&OD metrics which support organizational performance and transformation
4. Enable mobilization of our workforce within the organization according to organizational needs	4. Create incentives and recognize outstanding collaboration opportunities and impactful collective initiatives	4. Strengthen the diversity of our workforce and foster an inclusive environment where our people, in their diversity feel like they belong	4. Strengthen leadership and management capabilities for effective people management and organizational development
5. Align our compensation and benefits with evolving organizational and workforce needs	5. Strengthen our knowledge management capacity and capabilities	5. Invest in the continuous development of our people and articulate career opportunities for them to grow and thrive	

Abbreviations: USP = Updated Strategic Plan; HR & OD = Human resources and organizational design; PP = People Plan; PMDS = Performance Management and Development System; OHR = Office of Human Resources

1.2 Progress report (Jan – Apr 2021)

1.2.1. Priority #1: Build – get capacity

4. The most relevant initiatives the Secretariat has developed during the reporting period are the following:
- (a) **USP capacity review:** A consultancy firm was hired to review the eight most critical processes in order to identify reforms that could drive additional productivity gains and calculate the capacity required for the first replenishment (GCF-1). It is also expected to explore alternatives for decentralization that could contribute to align the organization for the requirements of the USP;
 - (b) **Talent acquisition strategy:** We continue consolidating and improving our employee value proposition. In addition, we continue to streamline and improve the recruitment process, which is starting to positively impact the time to fill vacancies (26 per cent reduction compared with 2020);
 - (c) **Rapid onboarding:** The Secretariat is progressing steadily on the digital onboarding project, consisting of 31 modules of learning organized in 3 streams: core orientation, functions of the Secretariat and climate management. Also, improved monthly orientation sessions have resumed to facilitate this process; and
 - (d) **Compensation and benefits:** The salary survey was completed and recommendations for improvement have been identified. The updated salary structure will be submitted for consideration at B.29 while the reforms required will be submitted to B.30.

5. For the remainder of 2021 most of these initiatives will continue and are expected to be finalized. We will also prioritize exploring alternatives in career mobility through internal recruitment and the improvement of stretch assignments.

1.2.2. Priority #2: Collaborate – align the capacity

6. The most relevant initiatives the Secretariat has developed during the reporting period are the following:

- (a) Culture and values: Following the recommendation of the Personnel Council, the SMT Charter and its key performance indicators (KPIs) were mapped to the corporate values in order to increase alignment of behaviours and reporting of progress in this area. In addition, there have been significant efforts to improve internal communications and translate the values into everyday actions through staff contributions to internal blogs;
- (b) Performance management: The Secretariat has been piloting a rating rebuttal procedure to simplify and improve the efficiency and effectiveness of the current performance management system which is currently based on the feedback received from the staff. The Secretariat has also further consolidated implementation of the vertical alignment in the corporate planning process and the enforcement of the link between objectives and competencies, with the introduction of a simplified individual performance planning tool;
- (c) Collaboration: The capability study has also focused on identifying bottlenecks and pain points in the eight most critical business process that could again improve efficiencies and collaboration within GCF; and
- (d) Knowledge management: The Secretariat has made significant progress on the knowledge taxonomy.

7. Work will continue throughout 2021. The Secretariat will also explore new ways to enhance intra-departmental collaboration and enhance project team empowerment.

1.2.3. Priority #3: Enable – nurture the capacity

8. The most relevant initiatives the Secretariat has developed during the reporting period are the following:

- (a) Well-being: Given the lessons from the COVID-19 pandemic and the level of productivity demonstrated by GCF staff, the Secretariat is updating the Administrative Instruction on Working Hours and Flexible Working Arrangements. The changes introduced are aiming to improve the work-life balance and well-being of the staff and also to pilot the policies of remote working that should be adopted by the GCF as a competitive tool to attract and retain talent;
- (b) Conflict resolution: This has been identified as a critical skill and therefore, the Secretariat has rolled out corporate-wide training led by the GCF Ombudsperson with a very positive feedback. By the reporting date, approximately 34 per cent of GCF staff had participated in the training. Also, the Grievance Architecture Handbook has been finalized and shared with the staff;
- (c) Engagement: The 2020 Engagement Survey results have been shared with the staff and several channels for discussion and analysis for action planning has been created. Three safe spaces have allowed us to identify priority actions at corporate level and share initiatives that are already taken place; and divisional sessions were designed to identify priority actions at divisional levels;
- (d) Diversity: We have launched Women at GCF as a platform for sensitization and networking; and

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- (e) Development and growth: The learning and development plan for 2021 is being designed on the basis of the results of the PMDS 2020 and other priorities identified at the corporate level, in order to leverage more effectively the GCF training budget and entitlements for development purposes.
9. These activities will continue throughout the remainder of 2021 most of these initiatives will be continued and we will also prioritize articulating an inspiring narrative and programme around career progression and growth.
- 1.2.4. Priority #4: Transform – align the capacity**
10. The most relevant initiatives the Secretariat has developed during the reporting period are the following:
- (a) Adapt HR&OD infrastructure: The Secretariat has been improving several HR processes related to recruitment and entitlements management and has also finalized several automation projects related to internships, entitlements management, and staff onboarding, that will allow increased efficiency and timely and accurate information for data-driven decisions; and
- (b) Improved leadership and management capacity: The 360-degree assessment for middle managers was concluded to provide senior and middle managers with a powerful tool for training and development.
11. Most relevant initiatives will be the preparation of the HR internal framework document for Board submission in B.30 and some critical automation projects related to recruitment. Likewise, the strengthening of the OHR team in order to increase capacity and align skills to support an improved employee experience to the GCF staff.

Annex IV: List of memorandums of understanding in effect as at 30 April 2021

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 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 (Extension of the terms of the MoU is expected to conclude in the coming months)
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 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 GCF through the exchange of personnel	3 August 2018	3 years (possible extension for 5 years)	Binding	Staff exchange

6	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 GCF, agree to cooperate around a Secondment Programme from SIDA to GCF for staff at middle and senior levels
7	General cooperation	World Meteorological Organization (WMO)	Framework MOU between WMO and GCF	10 December 2018	5 years	Binding	<p>Subject to applicable internal rules and procedures of each party, and any necessary clearance required thereunder:</p> <p>(a) Strengthening integrated global/regional/national operational hydrological and meteorological systems and associated climate information services;</p> <p>(b) Providing GCF accredited entities with information and technical support upon their request; and</p> <p>(c) Aligning and leveraging GCF-funded hydrological and meteorological investments</p>
8	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	<p>(a) Sharing knowledge for climate finance and action;</p> <p>(b) Integration of climate consideration within financial institutions;</p> <p>(c) Facilitation of access to GCF resources with co-financing from IDFC members and support for capacity-building activities; and</p> <p>(d) Outreach and awareness-raising</p>

9	General cooperation	Seoul National University	MoU between Seoul National University and the Green Climate Fund	18 November 2020	5 years	Non-binding	<ul style="list-style-type: none"> (a) Establishment of a centre of excellence on global green smart sustainable paradigm shift; (b) Talent nurturing and development; (c) Enhancement and development of GCF staff's professional; (d) Knowledge sharing; (e) Joint work programs that mobilize and nurture developing countries' stakeholders on issues related to climate change and sustainable development; (f) Joint programs on climate action; (g) Organization of events; (h) Educational content;
10	General Cooperation	Network for Greening the Financial System (NGFS)	GCF membership to the Network to be changed to 'observer' status (from 'Stakeholder' status)	In Development	N/A	Non-binding	Strengthen collaboration in areas of mutual interest.

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