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Report on the activities of the Secretariat

Summary

This report provides an overview of progress against the 2022 Secretariat work programme, structured as follows:

- (a) An executive summary, highlighting key outcomes and Secretariat observations on the delivery of the annual work programme;
- (b) Annex I: Progress against the key performance indicators in the 2022 work programme and a snapshot of activities conducted to support their delivery;
- (c) Annex II: Summary of feedback received during the fourth sectoral guide consultation period, May to August 2022;
- (d) Annex III: Summary of requests the Secretariat received from the Board;
- (e) Annex IV: Status of policy implementation for policies approved in the first replenishment period of GCF;
- (f) Annex V: Current list of memorandums of understanding in effect;
- (g) Annex VI: Report on the implementation and operationalization of the Private Sector Strategy;
- (h) Annex VII: Report of the second Global Programming Conference of the Green Climate Fund;
- (i) Annex VIII: ED Opening Remarks for Global Programming Conference - 13 September 2022.

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Executive summary

1. This report on the activities of the Secretariat covers the period 1 June–31 August 2022. The report is intended to provide an update on progress, challenges and adaptive management actions taken to deliver the key initiatives set out under the Secretariat’s 2022 work programme, and an update on the status of key performance indicators. Annex I provides a detailed status report on the 2022 key performance indicators.

2. The 2022 work programme was created to take the Secretariat past the midway point of the first replenishment period of GCF (GCF-1) and be fully aligned with the implementation of the updated Strategic Plan (USP) for 2020–2023 and the Board’s GCF-1 portfolio targets. To keep on track and surface challenges early, the Secretariat has been continuously analysing and recalibrating its performance and programming to ensure alignment with the USP and the Board’s ambitions for GCF-1. In this regard, the Secretariat has taken some key actions over the reporting period aimed at optimizing delivery of the USP goals and preparing for the second replenishment. Some of these actions have included preparing for major programming engagements, the 2022 Global Programming Conference and GCF Private Investment for Climate Conference; proactive management of the pipeline and frontloading of contributions to adjust pipeline development to the available commitment authority while advancing direct access entity (DAE), adaptation and Private Sector Facility (PSF) goals; increasing its efforts to consolidate portfolio implementation, results and risk management systems; and taking a deep look at readiness to overhaul and simplify processes for delivery; advancing policies with the most significant operational import to the Fund; and finalizing the organizational design and accelerating recruitment to build a full-strength workforce in line with the USP capability review.

3. The Secretariat has also heeded stakeholder concerns about access, and evolved responses to systematically address access as a multidimensional issue. The response covers dimensions of: **speed** – accelerating GCF processes from end to end and fully matching programming to execute available commitment authority; **simplicity** – simplifying processes for accessing GCF climate finance, i.e. the simplified approval process (SAP) and project-specific assessment approach (PSAA); **harmonization** – working through its partnerships to harmonize processes and increase access to climate financing from other climate financing institutions; **Direct Access** : increasing the share of climate finance managed by DAEs; **Flexibility**: broadening the range of programming strategies and non-grant instruments to address a wider range of needs from expanding direct access to communities to de-risking new forms of finance; and lastly, **Volume**: increasing climate finance by unlocking and catalysing private and public financing through its innovative approaches and tools. The following are notable areas of progress, issues and adaptive management actions under the Secretariat’s six priorities for this reporting period, with highlights of initiatives pertaining to access for climate finance.

1.1 Priority-1: Supporting origination of country-driven, paradigm-shifting investments and enhancing direct access

4. The Secretariat continued its upstream engagement with countries and partners to foster ongoing alignment of programming with the USP’s programming ambition. This reporting period saw the Secretariat prepare for two significant programming events, the Global Programming Conference (GPC) and the GCF Private Investment for Climate Conference (GPIC). These two high-level events required intensive cross-divisional planning and execution, and brought together a diverse range of GCF’s upstream partners, over 500 in person and thousands of virtual attendees, resulting in a high-impact opportunity for showcasing GCF’s results and

sharing knowledge, advancing programming dialogue; and forging a compelling case for an ambitious GCF-2 replenishment. Secretariat representatives also attended the Africa Climate Week in Gabon and the United Nations Framework Convention on Climate Change (UNFCCC) Latin America and Caribbean Regional Week in the Dominican Republic and support DAEs and national designated authorities (NDAs) with their planned project and programme pipeline development. Engagements also included a notable high-level mission on the forestry sector for the Central Asian Ministers on the sidelines of the XV World Forestry Congress. These pre-programming meetings for 2022 were instrumental in informing GCF on issues being encountered by stakeholders regarding their various programmes, climate strategies and projects. They were also instrumental in informing the agenda for the GPC as they provided GCF the opportunity to get a better sense of the evolving priorities of countries and partners as well as remaining challenges in their engagement with GCF.

5. Two additional international accredited entity (IAE) work programmes (EWPs) were endorsed during the reporting period, bringing the total to five EWPs for 2022, in addition to the three DAE EWPs previously endorsed at the start of the year. Through the provision of technical support services, the Secretariat is expecting significant advancement in the development of country programmes and entity work programmes from several countries during the second half of 2022, particularly from Africa, the Caribbean, Asia-Pacific and Eastern Europe and Central Asia regions.

6. The Readiness and Preparatory Support Programme continues to be an essential and flexible tool to enhance access and provide the support to capacitate developing country NDAs and DAEs with the tools necessary to help them translate their nationally determined contributions/national adaptation plans/long-term strategies into bankable climate investments. For this reporting period the Secretariat continued to strengthen delivery of the programme through securing Board approval of a further USD 166.94 million to cover demand for 2022–2023, completing a comprehensive analysis of the results of the readiness portfolio to date in alignment with the new readiness results management framework (RRMF), and advancing the “Readiness Action Plan” to significantly streamline and improve the consistency of readiness review, approval and implementation processes. This included launching work on a comprehensive update of the Readiness Guidebook. Notwithstanding this, the Secretariat has continued to observe ongoing challenges in readiness implementation during this reporting period, including an increase in amendment requests from delivery partners, variation in quality of implementation reports and delay in submission of completion reports. This issue is reflected in the KPI report for this period where the change requests (YTD 85) have already exceeded the 2022 projection of 50, resulting in the Secretariat dedicating additional bandwidth and adaptive management effort to respond accordingly.

7. The thirty-third meeting of the Board (B.33) saw key decisions made by the Board to enhance the Secretariat’s capacity to speed up access to resources. This included the decision to delegate the approval of accreditation master agreement (AMA) amendments to the Secretariat. Following this decision, the Secretariat was able to sign off on additional AMAs with three accredited entities (AEs) (two DAEs and one IAE) and has made effective one of those AMAs. The Secretariat expects to sign AMAs with five additional AEs (four of them DAEs), which are pending signature by the AE following Secretariat approvals. The Secretariat is also continuing to engage with AEs and aiming to conclude negotiations where possible for first or amended and restated AMAs.

8. Beyond advancing AMAs, the Accreditation Unit of the Secretariat has carried a tremendous workload in 2022 through parallel processing of re-accreditation and accreditation requests for the Board – which continues to present a growing workload driver in the absence of principles for prioritizing a considerable pipeline of accreditation requests – in tandem with the development of an accreditation strategy. The Secretariat continues to consider this strategy

critical to access and efficiency and has worked on updating the draft with inputs from consultations with a view to enabling the Board's further consideration of the strategy at B.34. This builds on the earlier analysis of the AE portfolio and consultations with various stakeholders including AEs, NDAs and observers, in addition to technical sessions with the Board. In the meantime, the Secretariat continues to focus on processing re-accreditation applications for 2022 and 2023 to minimize lapses in AE accreditation terms.

1.2 Priority-2: Project development and appraisal to build a USP-aligned, impactful GCF portfolio

9. Under this priority the Secretariat submitted USD 1.5 billion worth of funding proposals to the independent TAP for B.34, bringing the total amount submitted to the independent TAP during 2022 to 2.2 billion, against a target of USD 1.7 billion to 2.33 billion of funding proposals submitted to the independent TAP in 2022. Noteworthy in the programming process for 2022 has been the focus of the Secretariat on promoting alignment of the portfolio with the Board's GCF-1 programming targets: for B.34 funding proposals submitted to the independent TAP included adaptation programming of USD 1 billion (public and private), direct access programming of USD 495.8 million (public and private sector DAEs), and private sector programming of USD 477.5 million. It should be noted that for each of the Board meetings in 2022, the percentage of adaptation funding submitted to the independent TAP has been over 50 per cent in grant equivalent terms, leading to a small but steady increase in the overall portfolio percentage devoted to adaptation from 48.2 per cent at the beginning of the year to 49.1 per cent after B.33. To ensure full utilization of commitment authority in the context of rapid changes in exchange rates, the Secretariat has been conducting active financial planning efforts to monitor commitment authority and align the pipeline with resources.

10. Another notable point of progress for this reporting period is the Secretariat support for the delivery of portfolio goals through the offering of the PPF or technical programming and appraisal guidance and support. This reporting period saw the Secretariat exceed its target for the number of DAEs receiving PPF/project development/technical assistance support. A total of 11 AEs' proposals were supported, inclusive of 9 DAEs. The Secretariat's goal remains to significantly increase the share of DAE programming which will be supported by the DAE Action Plan and pipeline development initiatives. Other advancements made in supporting this initiative include using the draft sector guides to inform high-impact, paradigm-shifting programming, and finalizing an Appraisal Manual to help stakeholders better understand how funding proposals are assessed against the initial investment framework, with tools to help them design funding proposals for faster and smoother approval. The Secretariat has published on its website for this reporting period two additional draft sector guides, bringing the total to seven comprising "Ecosystems and ecosystem services", "Forests and land use", "Energy access and power generation", "Low emission transport", "Water security", "Agriculture and food security" and "Cities, buildings and urban systems". As scheduled, the 10 draft sector guides will be published by B.34.

11. Following the Board's approval of the GCF private sector strategy at B.32, the Secretariat has taken steps to initiate implementation of the strategy to enhance programming and mobilization of private finance through the Private Sector Facility. This is part of the access dimension **volume**, where GCF focuses its resources to mobilize climate financing at scale to increase access to finance for developing countries. Based on its private sector and adaptation strategies the GCF is using a four-pronged approach: (i) enhancing the capacity of countries to establish an enabling environment for climate action; (ii) enabling innovators in developing countries to ground truth new climate solutions; (iii) de-risking through blended finance early investments in new climate solutions; and (iv) greening the financial sector. The successful

planning and execution of the GPIC held on 15 and 16 September 2022 provided a key opportunity to engage thousands of partners in person and virtually, including NDAs, AEs, DAEs and private sector stakeholders, sensitizing ways to unlock additional climate financing from the private sector using the GCF's innovative four-pronged approach. Work also continued to operationalize the PSAA, which is expected to be launched in 2023. This initiative will accelerate approval of funding proposals through an alternative approach to institutional accreditation for funding proposals that meet the relevant criteria.

12. The SAP is a recognized tool supporting DAE and adaptation programming, particularly in small island developing States, least developed countries and Africa, falling under the access dimension of **simplification**. However, for this reporting period there has been a continuation of the slowdown in the proposals submitted via the SAP pipeline and fewer SAP CNs has been translated into full-fledged proposal. This issue has been linked to stakeholder views that preparing SAP proposals require almost as much work as a PAP. To address this issue and recognising the importance of the SAP programme to enhance the access dimension of direct access (direct access accounts for 68.4% of the SAP portfolio), the Secretariat has implemented adaptive management action starting with the Board approved SAP modality at B.32. The revised modality has expanded the SAP funding window from USD 10 to 25 million and include several measures to simplify and accelerate the preparation of SAP proposals. The Secretariat expects some improvements in the performance of the SAP to materialize from as early as B.35.

1.3 Priority-3: Management of portfolio implementation for results and knowledge

13. GCF's overall portfolio under implementation continued to advance at a steady pace with the implementation rate at 83 per cent for this reporting period compared rate of 82 per cent reported at B.33. As at 31 August 2022, USD 514 million has been disbursed in 2022, bringing the total funds disbursed to USD 2.8 billion. This growing portfolio under implementation continues to demand a corresponding upscaling of the Secretariat's portfolio management capabilities, as the complexity and volume of work related to adaptive management, project integrity risk management, financial management, results management, and knowledge management grows with the maturing portfolio. This is observed in the Secretariat's performance where, from 1 January to 31 August 2022, a total of 44 minor and major change requests have been processed including extensions, waivers and restructuring proposals. Reported challenges have included operational challenges, disruptions related to coronavirus disease 2019 (COVID-19), financial challenges, procurement and political challenges. Another notable issue observed is that AEs have experienced challenges in meeting the required disbursement threshold of 70 per cent, which is an indication that that they are not meeting their deliverables at the pace originally envisioned.

14. The Secretariat continues to strengthen its portfolio management approaches through its suite of automated tools including the Portfolio Performance Management System (PPMS). This system is instrumental in providing a better way to manage the collection of project risk and performance data across interdivisional review teams to facilitate the analysis and reporting of implementation risks and performance. The internal risk and performance assessment module, developed in 2022, is another tool implemented by the Secretariat to standardize and streamline risk assessment processes, being used for annual performance report (APR) reviews. The module is being upgraded with the updated portfolio risk and performance management guidance developed by the Secretariat in this reporting period. In alignment with the access dimension **speed**, the Secretariat maintains its commitment to accelerate implementation processes with a view to expediting deployment of resources on the ground, while recognizing the importance of the efforts of all GCF's partners in the process.

15. To strengthen management of results, the Secretariat has also continued advancing implementation of the RRMF and the integrated results management framework (IRMF), including the window for providing IRMF support to DAEs. As part of its monitoring and evaluation of project results and knowledge generation, the Secretariat has made a significant advancement this reporting period with the launching of the public Open Data Library on the GCF's website. This is an important step in enhancing transparency and knowledge generation around GCF's portfolio data. This effort will complement other knowledge management activities, including the development and updating of guidance, case studies and other knowledge products.

1.4 Priority-4; Supporting the Board and consolidating policy and governance frameworks

16. During the reporting period the Secretariat supported the delivery of B.33 and preparations for B.34. This included ongoing logistical support required to hold hybrid meetings, preparing the required documentation, and supporting an extensive number of technical and consultation sessions in advance of each Board meeting. The schedule of four Board meetings in 2022 has represented a heavy workload for Secretariat staff and it has required a full team effort to deliver. The Secretariat also continued making extensive use of the newly developed Board Portal to provide key information to the Board, including all consultation-related materials.

17. In particular, B.33 was a highly productive meeting at which the Board took a significant number of key decisions on: policy mandates and reviews; budgets for readiness, the PPF and remedial monitoring and evaluation actions; administrative matters related to the risk buffer and delegation of authority to the Executive Director for operational issues previously linked to endorsement by the Risk Management Committee. The Board also initiated arrangements for GCF's second replenishment process.

18. Noticeable progress was also made on the policy front with the Board taking three key decisions at B.33: concluding the review of financial terms and conditions, welcoming the guidance on adaptation and requesting the Secretariat and independent TAP to use principles for demonstrating the impact potential for mitigation and adaptation activities in the review process. The Secretariat has moved towards implementation with these items and the status of implementation of all policies adopted during GCF-1 is contained in annex IV. These three concluded mandates build on the six previously concluded at B.31 and B.32. Throughout the year the Secretariat actively monitored and assessed the annual policy agenda based on evolving Board and operational priorities and the state of readiness of policy items, with the aim of more actively prioritizing its policy work and support for consultations. Based on this, the Secretariat dedicated substantially more effort in advancing a subset of "ready" policy items towards successful conclusion, putting less focus on entirely new policy drafts. As a result, fewer policies have been consulted on in 2022 compared to previous GCF-1 years; however, a majority of published policies have gone through several iterations resulting in their approval or conclusion. "New" policy draft development continues to be advanced in parallel and such drafts are expected to be formally considered by the Board under the 2023 policy agenda.

19. At B.33 the Board also took note of the "Overall review of GCF policy frameworks", which assessed the coherence, completeness and impact of GCF policy frameworks and put forward a series of strategic and operational recommendations. The Secretariat has previously reported that it began to implement the operational recommendations by updating its policies and strategies web page and carrying more formal and standardized monitoring of policy implementation, as conducted through annex IV to this report. In addition, during the reporting

period the Secretariat kick-started retrospective implementation planning for policies with outstanding mandates requiring action.

20. Finally, at B.32 through decision B.32/04 the Board decided to launch the process to review and update the GCF Strategic Plan in advance of GCF's second replenishment period, with the review and update due to conclude by B.36. As part of the consultation process, on 10 June 2022 the Secretariat launched an open call for inputs, with guiding questions. A synthesis of all inputs received was produced and published on the GCF website.¹ The Secretariat prepared for a first discussion on updating GCF's strategic directions during a B.33 Board informal session, the outcomes of which been captured in a Co-Chairs' Summary. The Secretariat also took the opportunity of the two GCF-led conferences held in September to actively engage over 500 stakeholders, including NDAs and AEs, in providing inputs for the review and update. The zero draft review and update of the Strategic Plan for 2024–2027 is being finalized in advance of B.34. The updated Risk Management Framework will be directly linked to the objectives of the 2023 Work Programme.

1.5 Priority-5: Facilitating access and accelerating implementation by improving process efficiency, effectiveness, transparency and speed of delivery

21. The Secretariat maintained good performance on most of its service standards targets, apart from SAP and accreditation reviews, which are impacted by factors indicated under priorities 1 and 2. Parallel efforts continued to enhance the efficiency and effectiveness of processes in critical function areas including by: advancing the Readiness Action Plan focused on streamlining and accelerating readiness programme delivery; implementing a suite of automation tools; using “sprint initiatives” to explore opportunities to improve the efficiency of the funding proposal programming cycle; and advancing work on implementing streamlining updates to the accreditation framework.

22. Underpinning efforts to improve efficiency, effectiveness and speed of delivery are continued investments to completely digitalize GCF operations and integrate existing systems for improved responsiveness and transparency. For this reporting period the Secretariat launched the Digital Proposal Submission (DPS) system– a new approach for the simplification of the submission of concept notes and funding proposals. To date, the DPS has received 20 submissions from 10 AEs. Other digital advancements made include:

- (a) Launching the first phase of the Governance Risk and Compliance (GRC) system on ServiceNow as an enhancement to the integrated risk and compliance management solution currently available across the organization;
- (b) Completing the development work on the new GCF Constituent Relationship Management (CRM) system, a digital tool meant to enhance collaboration around external engagements; and
- (c) Advancing work on a Data Factory, intended to integrate GCF's various data sources into one holistic system to allow it to deploy data insights strategically in guiding decision-making.

23. As part of its efficiency efforts the Secretariat also advanced key work in establishing new corporate functions around operational risk controls and corporate performance management. During the reporting period the Secretariat onboarded an Operations Control

¹ GCF's Policies and Strategies web page includes a tab outlining the consultation process and providing summaries of relevant materials: <https://www.greenclimate.fund/about/strategic-plan/update>

Manager, who is leading the implementation of risk control self-assessments across the Secretariat and the monitoring of responses to issues identified in risk control self-assessments and internal audits. The Secretariat also onboarded a Corporate Performance Manager, responsible for enhancing the Secretariat's performance management culture and systems. Steps have already been implemented to codify performance culture into the organization's operations with a quarterly review function by the Senior Management Team, training of focal points and internal stakeholders, and a plan to roll out dynamic dashboards for real-time access and monitoring of key corporate, divisional and Board policy-related metrics. In addition, best practices have been incorporated into the development of the Secretariat's 2023 work programmes through clearer definition of work programme objectives and key intended results, and use of a "value-flow" analysis to identify meaningful and measurable corporate key performance indicators (KPIs) aligned with the objectives.

1.6 Priority-6: Fostering a high-performance collaborative culture and consolidating institutional capacities and oversight

24. The Executive Director in accordance with the Board's decision B.30/06 and the USP capability review has finalized the allocations of 350 staff as part of the Secretariat's work planning. This staffing scale-up is critical to achieving the USP goals and the Board's ambitions. For this reporting period the Secretariat has therefore continued to advance its aggressive implementation of its suite of initiatives focused on some key areas that increase staff value proposition including: building the GCF brand as the largest global dedicated climate fund; streamlining its human resources management processes including recruitment, retention, administrative onboarding, management of benefits and allowances, and exit procedures; utilizing novel non-vacancy-driven promotion to enhance staff opportunities, and presenting its updated salary structure proposal at B.34 and reviewing other benefits opportunities.

25. The Secretariat is confident that with the implementation of these initiatives it can continue on a trajectory to reach 315 staff (90 per cent fill of 350 staff allocated) by the end of 2023. The Secretariat is already buoyed by the success of its recruitment streamlining processes, which has significantly increased recruitment speed. The average time to fill a new position has now been reduced from 221 days for the first quarter of 2021 to 146 days for the second quarter of 2022, and the Secretariat will be making increased use of new recruitment methods such as batch recruitments and talent pools to further expedite the filling of staff positions. Notwithstanding this positive news the Secretariat continued to be cognizant of the challenges posed by the global trends regarding staff turnover as travel restrictions ease due to the winding down of the threat of the COVID-19 pandemic. The Secretariat initiatives are also intended to address other challenges that come with the headquarters location.

26. At B.33, the Board decided to launch the GCF-2 replenishment process and the initial organizational meeting was held as a virtual meeting on 30 and 31 August 2022. This meeting was chaired by the GCF Board Co-Chairs and included representatives of contributor countries (potential and existing), Board members, the GCF Trustee, and observers (GCF active observers and representatives of the secretariats of the UNFCCC, Adaptation Fund and Global Environment Facility). The meeting discussed arrangements for GCF's second replenishment, the replenishment timeline, workplan, decision framework, invitation of additional observers, financial matters, and selection of a facilitator. It was also decided at this meeting that the first consultation meeting would be held virtually on 1 and 2 December 2022.

27. Strategic partner engagement events will be key to the success of GCF's second replenishment process. The Secretariat deepened its engagement with two key partnerships since the last reporting period, namely, the coalition of Finance Ministers for Climate Action,

which is a group of 52 finance ministers engaged in efforts to address climate change through economic and financial policies according to the six Helsinki Principles. The other engagement was with the Pacific Island Forum, which is a group of 18 countries in the Pacific that works as a body to foster cooperation between governments, collaboration with international agencies and representing interest of its members. GCF engages with strategic partners and stakeholders to profile the organization as a credible and innovative partner on transformative climate action. The Secretariat the seventy-seventh session of the United Nations General Assembly scheduled to be held in September 2022, and the twenty-seventh session of the Conference of the Parties to the UNFCCC scheduled to be held in November 2022. These will present critical opportunities for GCF to highlight its role as a global leader in climate financing as it advances in its second replenishment process.

28. Regarding business continuity planning, the Secretariat will be maintaining its robust COVID-19 programme for its operations, staff and stakeholders even as travel restrictions are being relaxed around the world. The Secretariat continues to closely monitor the pandemic conditions globally in conjunction with the local Republic of Korea COVID-19 protocols. For B.34 the Secretariat will maintain its COVID-19 protocols used at B.33 for B.34 to keep staff and attending stakeholders safe. The Secretariat will also be continuing its office restack project in alignment with the spacing requirements for COVID-19. This project consists of three phases, with phase 1 already completed; the ongoing phase 2 is to be completed in October 2022; and phase 3, which is anticipated to commence at the beginning of 2023, will be completed in the first quarter of 2023.

29. For this reporting period, the Secretariat has also been continuing its pursuit of finalizing bilateral privileges and immunities agreements with countries. However, despite launching negotiations with several additional countries there has been no new signing of agreements. The total number of signed bilateral privileges and immunities agreements remains at 28. This issue continues to pose significant risks to GCF's staff, core operations and assets. With an expanding programming portfolio, the risk will continue to grow. Notable situations where this issue has impacted the Secretariat is the questioning of the legality of GCF in countries with GCF projects but with no privileges and immunities agreement. Such situations delayed the commencement of projects in the said countries. Also, recent examples where GCF has not been accredited to fully participate in high-profile events such as the United Nations Oceans Conference held in Lisbon, Portugal from 27 June to 1 July 2022 should be viewed as a significant risk. In accordance with the Governing Instrument for the GCF the Secretariat therefore stands ready to assist the Board in addressing this issue and mitigating the corresponding risks.

Annex I: Progress against the key performance indicators in the work programme and a snapshot of activities conducted to support their delivery

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
Priority 1: Supporting origination of country-driven, paradigm-shifting investments and enhancing direct access				
1.1	Coordinated engagement of NDAs, AEs and DPs on USP and GCF-1 programming goals	Fund-level programming communications and guidance developed and maintained	<ul style="list-style-type: none"> Communications toolkit on Green Shift has been regularly updated including the Executive Director's speeches at high-level events; updated fact sheets ('at a glance' and regional fact sheets) and institutional PowerPoint presentations. Messaging houses that provide standard frameworks on communicating key topics (access, programming, etc.) will be developed and disseminated to staff in September 2022. Fund-level programming communications and guidance will be stepped up in Q4 in light of the second replenishment and COP 27 	Four (4) interdivisional meetings planned for 2022, with 2 meetings completed and the remaining two (2) be scheduled in Q4
		10 dedicated programming engagements	<ul style="list-style-type: none"> The Secretariat organized an additional high-level programming mission to Gabon, for this reporting period where it attended the Africa Climate Week, bringing the total missions to this region to 4 for 2022. Other notable engagements for 2022 included missions to Dominican Republic for attendance to UNFCCC Latin America and Caribbean Regional Week, mission to Fiji, in addition to virtual participation in sessions such as the Central Asia Dialogue on Climate Finance Readiness organized in Bishkek, programming meeting in the forestry sector for Central Asian 	12 dedicated programming engagements with countries

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
			Ministers in addition to NDAs on the side of the XV World Forestry Congress and other engagement with Mongolia and India. These discussions involved NDAs, DAEs, DPs and other high-level country officials and the discussion covered a wide range of topics from country programme, pipeline development, accreditation, capacity, financial needs and access issues	
		Collaborative plans with other climate funds on complementarity and coherence implemented	<ul style="list-style-type: none"> • One technical meeting to implement the GCF-GEF Long Term Vision was held during the reporting period. In addition, a study on Complementarity and Coherence between GCF and GEF was procured and announced by GEF. This report will be submitted to the Board in B.34. • Upstream engagement with the Adaptation Fund is continuing in two main workstreams. i) Seeking opportunities to streamline the fast-track re-accreditation, and ii) the scaling up approach of AF-funded projects. Four countries confirmed interest in scaling up successful projects. In addition, a discussion is ongoing to organize a CPDAE event at GCF Pavilion during COP27. • The GCF's work with the Climate Investment Funds focuses on their new energy programmes. Technical consultations are ongoing to identify projects or initiatives that could serve as collaboration points. 	55% progress
1.2	Number of country programmes and multi-annual entity work programmes	30 country programmes (including national DAEs);	<ul style="list-style-type: none"> • Through the provision of technical support services, the Secretariat is expecting significant advancement in CPs and EWPs from several countries during the second half of 2022 (Africa: 	

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
	endorsed with aligned, GCF-facing investment plans and pipelines		<p>DBSA EWP endorsed in Q1, TA offered to NDAs of Egypt, Guinea-Bissau and Sao Tome and Principe (STP), CPTA offered to Burkina Faso, Caribbean: CCCCC EWP endorsed, TA offered to Belize, Dominica, St. Lucia, Bahamas, Haiti, Grenada, St. Kitts & Nevis, Latin America: CP endorsed for Uruguay in Q1, CABEI EWP endorsed in Q2, TA including reviews offered to Panama, Mexico, Colombia, Argentina, Cuba, Paraguay, Peru, and Chile. Also, CPs of Colombia, Mexico, Paraguay, and Peru and CAF EWP completed IDR, Asia-Pacific: Two (2) CPs for the Federated States of Micronesia and Philippines under review, EECA: CP TA offered to Albania, Serbia, Moldova and Georgia, CPs under review for Serbia, Albania Azerbaijan, Armenia, North Macedonia, Turkmenistan, Tajikistan)</p>	8 country programmes
		5 IAE entity work programmes, 3 regional DAE entity work programmes	<ul style="list-style-type: none"> • Three DAE EWPs were endorsed in Q1, meeting the KPIs for 2022 (DBSA, Fundación Avina, CABEI). Further progress on these EWPs includes the submission of several priority CNs to the internal Climate Investment Committee. • Two (2) additional IAE EWPs were also endorsed during the reporting period. The Secretariat undertook a number of programming engagements with IAEs covering topics such as portfolio implementation and pipeline prioritization, including in-person workshops 	<p>2 IAE entity work programmes</p> <p>3 regional DAE entity work programmes endorsed by CIC 1; total 5 EWPs endorsed</p>

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
			with UNDP and GIZ and the Global Programming Conference.	
1.3	Implementation of DAE Action Plan with system in place for monitoring progress and results	50% reflecting initiation of key activities in 2022 towards full delivery by 2023	<ul style="list-style-type: none"> Secretariat is in the process of selecting and recruiting a DAE manager and this is expected to be concluded in Q3 2022. Preliminary internal consultations have taken place on interim measures that can be taken to advance the DAE Action Plan prior to onboarding the new manager. 	In progress
1.4	Readiness support delivered to enhance country access to GCF	81 readiness requests approved (55 Single year; 10 Multi-year; 16 Adaptation Planning)	<ul style="list-style-type: none"> The Secretariat continues to encourage countries to utilize multi-year readiness to move towards integrated and strategic climate planning in line with their country programme or readiness needs assessment. It should be noted however, that countries have been experiencing challenges with completing the Readiness Needs Assessment that are prerequisite for the application of the multi-year strategic readiness. Key Readiness Action Plan activities completed for this reporting period include: <ul style="list-style-type: none"> 1st Draft of SOP 2.0 prepared IDR socialization session on process redesign & draft SOP 2 Finalize internal review criteria checklists and standards considering appropriate DD standard and risk controls, including lessons learned, Q&A and sample proposals for use of regional desks Kick-off meeting to scope required updates and allocate roles Annotated ToC 	51 readiness requests approved (42 single-year; 1 multi-year; 8 adaptation planning)

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
			<ul style="list-style-type: none"> ○ Amendment to AAE contract for consultancy support ○ Allocate drafters ○ RRMF roll-out plan ○ Define data management plan to allow for more automated tracking of results data moving forward - Fluxx update and data backfilling ○ AAE analysis of readiness portfolio outcomes based on RRMF 	
		141 countries accessing readiness	<ul style="list-style-type: none"> ● The Secretariat secured an additional Readiness budget of USD 166.94 million at B.33 to ensure uninterrupted support to developing countries for the GCF-1 period. Also, the Secretariat has been advancing work on the revised Readiness Strategy for B.35 in line with B.33 decisions. 	141 countries accessing readiness
1.5	High-quality, country-driven concept notes developed through readiness, TA and/or regional desk support	Concept notes supported: At least 40	<ul style="list-style-type: none"> ● The following entities and countries have been receiving support to strengthen their CNs as well as FPs: KDB, PTSMI, NCCD, Landbank and Barbados. In 2022, TA assistance has been provided for the development of 11 CNs. ● Of the total assistance offered, 63% are DAEs. 	11 concept notes supported
		Concept notes entering GCF pipeline: 20	7 concept notes have entered to GCF pipeline which received support from regional desk, including via PDTA.	7 concept notes entering GCF pipeline

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
1.6	Number of AMAs signed (incl. DAE and private)	3-5 (1-3 IAE AMAs; 2 DAE AMAs including 3 private)	<ul style="list-style-type: none"> Progress in the signing of AMAs has significantly improved after decision B.33/02 which granted the Secretariat authority to sign off on amendments to the AMA template in the absence of RMC. Three new AMAs were signed (2 DAEs, 1 IAE), of which one was also made effective. The Secretariat is also continuing to engage with AEs and aiming to conclude negotiations where possible for first or amended and restated AMAs. In addition to signing AMAs, the Secretariat continues to follow-up with AEs to address conditions precedent to making their AMA effective. One (1) DAE AMA (public sector) was made effective during the reporting period. Additionally, one (1) IAE's (public sector) amended and restated AMA was signed and made effective during the reporting period. 	4 AMAs signed (2 DAE, 2 IAE)
1.7	Number of entities submitted for re-accreditation	15	<ul style="list-style-type: none"> Since the launch of re-accreditation in 2021, 14 AEs were presented to the Board and approved for their second accreditation term (including three AEs applying for an upgrade in their accreditation scope jointly with their re-accreditation applications). Of these, 9 AEs were submitted for consideration by the Accreditation Panel and re-accredited by the Board in 2022. 12 AEs were progressed from Stage I to Stage II (Step 1) re-accreditation reviewed by the Accreditation Panel, including 3 AEs applying for 	9 entities submitted for consideration by the Board for re-accreditation and approved for their second accreditation term

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
			<p>an upgrade in their accreditation scope jointly with their re-accreditation application;</p> <ul style="list-style-type: none"> To minimize the lapses in AE accreditation terms, the Secretariat is continuing to focus on processing re-accreditation applications in 2022 and 2023. GCF (including the Secretariat, the AP and the Board) has historically been able to accredit around 15 AEs annually (including re-accrediting AEs to continue the partnership, upgrading AEs to expand their scope for GCF programming, and new entities). Over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 about 30 AEs per year are expected to seek re-accreditation. 	
Priority 2: Project development and appraisal to build a USP-aligned, impactful portfolio				
2.1	Total number and volume of FPs submitted to ITAP	PAP: 32-37 (1700-2330M)	<ul style="list-style-type: none"> The Secretariat submitted 23 funding proposals (USD 2,153 million under the standard proposal approval process) to iTAP for review (year to date). Of this, 6 funding proposals (USD 821.2M) are from the private sector and 17 funding proposals (USD 1331.84 M) are from the public sector. The Secretariat continues to work with AEs to submit proposals under the iTAP rolling review. 	<p>Public sector PAP: 17 (1331.84M) Private sector PAP: 6 (821.2M)</p>

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
		SAP: 7-9 (70-90M)	<ul style="list-style-type: none"> The Secretariat submitted 1 private sector SAP funding proposal (USD 10 M) and 1 public sector SAP funding proposal (9.57M) to iTAP for review for 2022. During the reporting period the SAP team engaged in a series of trainings and capacity-building initiatives, in the Asia area, with AEs and NDAs to help in the development of their projects. The Secretariat advanced work on finalizing the SAP Appraisal toolkit and simplifying CN review processes to ensure the consistency of project reviews. 	Public sector SAP: 1 (9.57M) Private sector PAP: 1 (10M)
2.1.1	Adaptation proposals (including cross-cutting) submitted to iTAP	18-22 (800-1100M*)	<ul style="list-style-type: none"> The Secretariat submitted 18 adaptation proposals (USD 1,495M) to iTAP, of which 15 public: 4 adaptation proposals (USD 330.71M) and 11 cross-cutting proposals (USD 813.42M) requesting GCF funding of USD 1,144.13M. The remaining 3 were from the private sector and comprise 1 adaptation (USD 263.1M) and 2 cross-cutting proposals (USD 89.0M) for a total of USD 352.1M. Notable is that for each Board meeting in 2022, the percentage of adaptation funding submitted to iTAP has been over 50% in grant equivalent terms, leading to a small but steady increase in the overall portfolio percentage devoted to adaptation from 48.2% at the beginning of the year to 49.1% after B.33. 	Public sector adaptation: 15 (1142.54M) Private sector adaptation: 3 (352.1M)
2.1.2	DAE proposals submitted to iTAP	9-14 (350-550M*)	<ul style="list-style-type: none"> The Secretariat submitted 9 DAE funding proposals (USD 570 M) to iTAP of which 2 were 	Public sector DAE: 7 (455.28M) Private sector DAE: 2

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
			private sector proposals (USD 115 M) and 7 were public sector proposals (USD 455.28 M).	(115M)
2.1.3	Private sector proposals submitted to iTAP	12-14 (750-900M*)	<ul style="list-style-type: none"> The Secretariat submitted 7 private sector proposals (USD 831.2M) to iTAP as at 31 August 2022. While the volume of financing for private sector proposals has grown in nominal terms during 2022, the percentage of private sector proposals in the portfolio in grant equivalent terms has grown more slowly. This is due to the way the grant equivalent calculator estimates GE amounts for equity proposals. 	Private sector FPs: 7 (831.2M)
2.2	Number of AEs/FPs receiving active PPF or project development support through grants or TA	12, including 8 DAEs	<ul style="list-style-type: none"> Up to this reporting period the Secretariat has been supporting 11 proposals through the Project Preparation Facility (PPF). Out of these nine (9) or 82% are from DAEs. The additional resources of USD 18.0 M allocated to the PPF through decision B.33.03 will benefit the PPF pipeline, which currently has 33 active applications valued at USD 15.8 M. Since the introduction of the PPF, a total of USD 34.4 M has been committed to support AEs of which USD 23.6 M or 69 % is channelled through DAEs. This resulted in the development of 21 funding proposals of which 11 have already been approved by the Board. 	11, including 9 DAEs
2.3	USP and Board directions on private sector	100%	<ul style="list-style-type: none"> Following approval of the Private Sector Strategy at B.32 the Secretariat developed an Implementation Plan, as contained in Annex VI. 	

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
	strategy implemented		<p>Supporting the implementation of the Strategy the Secretariat successfully held the Global Private Investment Conference (GPIC) in September 2022 in the Republic of Korea for the first time since the onset of the COVID-19 pandemic.</p> <ul style="list-style-type: none"> • Programming-wise, the majority of private sector FPs submitted to ITAP in 2022 have an equity or a guarantee component (5 out of 7 FPs), signalling improved alignment with the ambitions of the private sector strategy. 	100%
2.4	Delivery of practical tools to guide project development and appraisal	Completion and socialization of 8 sector guides	<ul style="list-style-type: none"> • Two additional sector guides were published on the website² during the reporting period bringing the total to 7. All ten are expected to be made available in Q3. • The summary of feedback received on the Climate information & Early warning systems and Energy efficiency sectoral guide are available in the Annex. 	Seven sector guides published on the GCF website; Two during the reporting period
		Operationalization of project appraisal manual: 100%	<ul style="list-style-type: none"> • Appraisal Guidance and all Annexes published on GCF Website. • Overview of Appraisal Guidance and Tools presented at the GCF Global Programming Conference. • Pilot ongoing of Innovation and Additionality Tool for CIC2 proposals, SAP Review Toolkit finalized, work advancing on Financial Structuring and Concessionality Tools (expected Q4 2022). 	100%

² <https://www.greenclimate.fund/projects/sectoral-guides>

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
2.5	Percentage of approved FPs including gender assessments, gender action plans and gender disaggregated data	100%	<ul style="list-style-type: none"> The Secretariat continued upholding the highest gender standards and all FPs approved meet the requirements under the Updated Gender Policy. 	100%
Priority 3: Management of portfolio implementation for results and knowledge				
3.1	Number of FAAs signed	28	<ul style="list-style-type: none"> A total of 36 private sector FAAs out of 42 approved private sector FPs and 151 out of 158 public projects have signed FAAs. More FAAs are now being executed immediately after Board approval, which has contributed immensely to reducing the time taken by projects to progress from Board approval to 1st disbursement milestone. 	12 Public FAAs 6 private FAAs
3.2	% of projects under implementation	80%	<ul style="list-style-type: none"> The total number of projects under implementation reached 167 out of 200 approved FPs or 83.5 % of the total portfolio, presently exceeding the annual target. 	83.5% (167 out of 200 FPs)

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
3.3	Aggregate disbursements for funded activities	+913-1,193M in 2022 for cumulative total of 3,376M - 3,391M	<ul style="list-style-type: none"> Disbursement for this reporting period is of USD 514 M for a total of USD 2.804 B disbursed, bringing the disbursement rate (amount disbursed/approved funding under implementation) to 35%. Some delays are observed due to AEs requesting extension and change requests. As of August 31, the Secretariat processed a total of 44 minor and major change requests including extensions, waivers & restructuring proposals. Reported challenges include operational challenges, COVID 19 related disruptions, financial challenges, procurement and political challenges. AEs have also exhibited delays in successful fulfilment of conditions for disbursement, especially meeting the 70% expenditure threshold. 	+ USD 514 M in 2022 USD 2.804 B cumulative
3.4	% of approved readiness requests receiving disbursements	>90%	<ul style="list-style-type: none"> As at August 31, 2022 a total of 608 Readiness grants were approved (YTD) with 524 receiving disbursements 	86%

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
3.5	Readiness & funded activities reports reviewed for results	Readiness Reports (IPRs & CRs): 200	<ul style="list-style-type: none"> The Secretariat has made significant progress and reviewed a total of 172 Interim Progress Reports (IPR) to ensure grants are implemented per the scope and timelines defined in the approved proposals and in accordance with GCF policies. The Secretariat has also conducted a thorough analysis of the results achieved from the completed and ongoing grants, which was published in the Readiness and Preparatory Support Programme – work programme and budget 2022–2023 report (GCF/B.33/07) 	172 IPR & 17 CRs completed
		Funded Activities (APRs, interim and final evaluations, inception/baseline): 155	<ul style="list-style-type: none"> The Secretariat continues to exceed its target in conducting multiple APR reviews despite some challenges in delayed processing 	174 Funded Activities reports reviewed for results
3.6	Readiness/Funded activities change requests processed	Readiness/PPFs amendments processed: 50	<ul style="list-style-type: none"> The Secretariat continues to respond to a growing number of amendment requests to address challenges encountered during the implementation including using Interim Progress Report (IPR) reviews to monitor and mitigate observed risks to offer appropriate adaptive actions for modifications to grant activities, scope, and design etc. As at August 31, 2022, 85 amendment requests were approved, of which 48 no-cost extensions, 32 budget 	85 amendment requests

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
			<p>reallocations, 7 restructuring/modifications of planned activities, and one grant cancellation request.</p> <ul style="list-style-type: none"> The Secretariat has already exceeded the annual projection on number of amendments it would need to process in 2022. 	
		Number of FA minor/major changes processed: 40	<ul style="list-style-type: none"> The trends in implementation change requests are that they are received regularly, increasing and consist mostly of duration extensions, reporting extensions and waivers. To address this issue the Secretariat has been portfolio implementation capacity human capacity with customized roles on general project management, restructuring, and sector expertise to further enhance GCF responsiveness. The Secretariat is also in the process of standardizing the approach and standards for dealing with adaptive management requests, including examining appropriateness of decision-making delegation. 	42 minor and major change requests processed
3.7	Knowledge generated from implementation of readiness and funded activity portfolio	Learning loop established for the Readiness and Preparatory Support Programme	<ul style="list-style-type: none"> As of 31st of August 2022 the methodology for the readiness learning loops has been successfully developed and the learning loops exercise has been carried out with desk research, survey and interviews to selected divisions and offices involved in the readiness grant cycle. The publication of lessons learned from the first pilot is planned for the last quarter of 2022 to inform next cycles of learning loops. 	82%

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
			<ul style="list-style-type: none"> The Readiness guidebook is currently being updated with a first updated version to be delivered at the end of the year. 	
		22 evidence-based knowledge products generated showcasing GCF results	<ul style="list-style-type: none"> Position Paper for the Chapter on Finance, Coalition for Disaster Resilient Infrastructure Flagship Report – On Track paper draft is due in September 2022 Position Paper title ‘Climate-adapted Projects Pipeline Structuring Methodology – How to Mitigate Projects Risks and Mobilize Finance’. Paper due in October 2022 On Track and first draft due October 2022 - Transition Areas Portfolio Review (TAPR): Concept Note and PPT for UNDP Portfolio Performance Review 2022 validated and data analysis using the IAT tool started as well as compilation of qualitative documentation 9 evidence-based knowledge-based communications products generated (3 project videos, 4 articles, 2 factsheets) 	43%
3.8	Expanding PPMS and strengthening of risk management approaches to enable proactive approach to adaptive	100%	<ul style="list-style-type: none"> A series of new online modules were launched within the PPMS to allow AEs to process inception reports, financial information reports, audited financial statements, interim and final evaluation reports as well as requests for waivers and extensions for reports submission. Additional disbursement modules for funded activities and Readiness, as well as report module for Readiness will be rolled out by the end of the year. 	99%

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
	management and integrity risk management		<ul style="list-style-type: none"> Work also advanced on developing internal risk and performance assessment modules to standardize and streamline the risk assessment process and it is in use for assessments of APR reviews. 	
Priority 4: Supporting the Board and consolidation of policy & governance frameworks				
4.1	Secretariat-led policy documents delivered to the Co-Chairs, in line with the updated Board workplan, for Board consultations or publication for a Board meeting	100%	<ul style="list-style-type: none"> The Secretariat continued advancing the development of policies notionally scheduled for 2022 and as at end of August seven were presented for Board consultation or consideration at a Board meeting: i) the updated Simplified Approval Process (SAP), ii) Private Sector Strategy, iii) Programmatic Approach, iv) Climate Rationale, v) Adaptation Approach, vi) Accreditation Strategy, vii) Policy for minimizing the effect of currency fluctuations. Of these, four mandates were concluded up to B.33 with two remaining items scheduled for consideration during B.34 The year has seen substantial more effort dedicated to multiple iterations of consultation and review for a subset of 2022 policies with the view to progress them as much as possible towards conclusion. The Secretariat is advancing all other Secretariat-led items, with the expectation that their formal consideration by the Board will be deferred to 2023. Most notably, the development of GCF's new Environmental and Social Safeguards is ongoing and making good progress in 2022. The process is currently in Stage 3, and 	<p>46%</p> <p>7 out of 15 policies scheduled for 2022 consideration delivered</p>

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
			the full draft version of all standards will be sent out for public consultation in Q3/Q4.	
4.2	Secretariat-led information and standard operational documents delivered to the Co-Chairs in line with the provisional agenda at least 21 calendar days before a Board meeting	100%	<ul style="list-style-type: none"> The majority of the Secretariat-led information and standard operational documents were delivered and/or published on time for Board meetings in 2022, including: reporting items, funding proposals, accreditation proposals, dates and venues, and work programmes. The documents not delivered or published on time (13%) were generally those that required input from outside of the Secretariat. The short time periods between Board meetings also provided less time for the preparation of documents, especially impacting those requiring external consultation. 	87%
4.3	Secretariat-led policy drafts developed in line with the Secretariat Policy Manual, including impact assessment, implementation plans and resourcing requirements	100%	<ul style="list-style-type: none"> The Secretariat continued applying the standards set out under the Policy Manual for the policies under its lead. All seven policies released for consultation or published for a Board meeting followed internal interdivisional collaboration policy development processes and six included an assessment of the anticipated policy impacts. All were produced in the standard policy template developed under the Policy Manual. In addition, three policies had preliminary policy implementation plans at consultation or publication phase. 	71% for all policies submitted for consultation or publication

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
4.4	Policy implementation planning, monitoring and reporting in place for all newly approved policies	100%	<ul style="list-style-type: none"> Nine (9) policy mandates were concluded by the Board in 2022. The Secretariat began implementation planning for all 9 in line with Board decisions with regular tracking and monitoring of progress. The status of implementation of all policies adopted during GCF-1 can be found in annex IV. 	86%, with implementation planning to be concluded in September for B.33 approved policies
4.5	Overall policy review delivered for Board consideration	100%	<ul style="list-style-type: none"> The overall review of GCF policy frameworks was finalized and considered by the Board at B.33. The review took stock of the context for policy development and implementation at the GCF, and examined the coherence, implementation and impact of GCF policies. The report includes recommended areas of action, some for implementation by the Secretariat and others for the Board's consideration as part of updated strategic planning and Board work planning. 	100%
4.6	COP guidance addressed including through collaboration with the UNFCCC and on-time submission of COP report	11th GCF report to the COP submitted on time demonstrating how COP guidance has been addressed	<ul style="list-style-type: none"> The Secretariat submitted the GCF's 11th COP Report to the UNFCCC in August 2022. Ten engagement activities were held with UNFCCC Constituted Bodies and Secretariat during the reporting period and preparations have started for GCF COP 27 engagement. 	11th GCF report to the COP submitted on time demonstrating how COP guidance has been addressed"

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
Priority 5: Optimizing operational efficiency, effectiveness and transparency for enhanced access and implementation				
5.1	% of requests reviewed within target service standards	Accreditation: 90% stage I applications reviewed within 105 days	<ul style="list-style-type: none"> Out of 26 applications that reached the 105 days deadline in 2022, 14 met the service standard. All re-accreditation applications reviewed met the service standards. This is due to the fact that the workload of accreditation and re-accreditation exceeds the GCF capacity and the Secretariat is prioritizing re-accreditation applications to minimize the risks of accreditation lapses. The number of AEs seeking re-accreditation is reaching an average of 30 per year while the GCF accreditation pipeline has 140 new applicants, totalling over 150 entities requiring processing in 2022 alone. The Secretariat has also been prioritizing the further development and launch of the new Digital Accreditation Platform (DAP), with the aim to streamline the accreditation and re-accreditation processes and increase the efficiency of reviews. The DAP account request module and accreditation module were launched on 22 March 2022. 	64 % achievement against the KPI target
		Readiness (non-NAP): 70% reviewed within 35 days	<ul style="list-style-type: none"> 19 out of 19 proposals received met the service standard 	143 % achievement against the KPI target

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
		Readiness (NAP): 70% reviewed within 45 days	<ul style="list-style-type: none"> 7 out of 8 proposals received met the service standard 	131% achievement against the KPI target
		PPF: 80% reviewed within 21 days	<ul style="list-style-type: none"> 19 new and revised applications met the service standard 	125% achievement against the KPI target.
		CN review: Public: 50% reviewed within 30 days; Private 75% reviewed within 30 days	<ul style="list-style-type: none"> Public: 22 out of 35 CNs reviewed within 30 days Private: 11 out of 15 CNs reviewed within 30 days 	Public: 118% achievement against the KPI target Private: 86% achievement against the KPI target
		FP review: 70% within 75 days	<ul style="list-style-type: none"> Public: 7 out of 7 FPs reviewed within 75 days. Private: 7 out of 7 FPs reviewed within 75 days 	Public: 143% achievement against the KPI target Private: 143% achievement against the KPI target
		SAP CN review: 70-75% within 21 days	<ul style="list-style-type: none"> Public: 6 out of 14 CNs reviewed within 21 days Private: 0 out of 1 CN reviewed within 21 days 	Public: 24% achievement against the KPI target Private: 0% achievement against the KPI target.
		SAP FP review: 70-75% within 30 days	<ul style="list-style-type: none"> Public: 1 out of 2 CNs reviewed within 30 days No PSF SAP FP has been received / reviewed during the reporting period. 	Public: 71% achievement against the KPI target
		Minor portfolio change requests reviewed: 75% within 30 days	<ul style="list-style-type: none"> On track. Of the 42 minor change requests, 31 (74%) have been processed within the service standard. 	Minor requests: 104% against the KPI target

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
		Major portfolio change requests reviewed: 60% within 180 days	<ul style="list-style-type: none"> On track. Both of the 2 (100%) major change requests received have been processed within the service standard. 	Major requests: 167% against the KPI target
5.2	Project cycle/IPT reviews undertaken in line with the Operations Manual and project appraisal manual	80%	<ul style="list-style-type: none"> >95% of projects receive climate guidance input from the internal climate network (CNET) prior to submission to CIC2, and Interdivisional Project teams hold kick-off meeting prior to beginning the technical review. CIC templates have been updated, the process for simplification of SAP CN reviews has been developed, and project review process tools have been rolled out through implementation of GCF Appraisal Guidance. A Programming Efficiency Initiative is ongoing, with implementation of solutions in Q3/Q4 of 2022, and beyond. 	83% Updates to programming and operations manuals expected by end of 2022
5.3	Digital agenda – 2022 workplan delivered, including advancing systems integration, and automation of financial management, recruitment and	100%	<ul style="list-style-type: none"> The Secretariat continues to implement digital solutions under the GCF Digital Agenda including: <ol style="list-style-type: none"> Launch of the Digital Proposal Submission (DPS) – a new approach for submitting CNs and FP Launch of the first phase of the Governance Risk and Compliance (GRC) system, part of an integrated solution to risk and compliance management across the organization. Releasing the public version of the ODL, along with a tutorial video clip, on the GCF website³. 	Digital Agenda Overall Performance is 59%

³ <https://data.greenclimate.fund/public>

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
	procurement systems		iv. Completing development work on the new GCF Constituent Relationship Management (CRM) system.	
5.4	Initiate implementation of the data management strategy	100%	<ul style="list-style-type: none"> The Secretariat established an internal Data Council to oversee development of a data strategy. A first draft of the data management manual is currently under internal review. The related Data Factory project is also progressing well with a governance and resourcing approach established internally. With external consulting support the Secretariat is conducting a follow-up exercise of stress-testing progress to date and carrying a cost-benefit analysis of follow-up stages. 	97%
5.5	Establishment of operations control and change management functions to oversee corporate performance and organizational reforms	100%	<ul style="list-style-type: none"> Operations control: new manager has been onboarded, establishing the new function. Initial steps taken to monitor responses to issues identified in risk control and audit processes. Change management: new manager has been onboarded with efforts taken to further codify corporate performance management systems and practices. 	60%
Priority 6: Consolidating institutional capacity, culture and performance in preparation for the GCF second replenishment				
6.1	Vertical alignment between strategic directions, work	100%	<ul style="list-style-type: none"> The Secretariat successfully completed the PMDS Stage-1 for the 2022 cycle with renewed focus on vertical and horizontal alignment. Guidance in the 	92.2% for the PMDS Stage I

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
	programme and staff performance plans		form of webinars and training were held with staff and management to strengthen collaboration and provide updates on the PMDS improvement processes which are in Stage 2. Completion of updates to the PMDS system is expected to take place before the end of the year with system roll-out planned for beginning of 2023.	The midyear review completion rate will be ready in the third quarter
6.2	End of year fill ratio	90%	<ul style="list-style-type: none"> For this reporting period and the remaining of 2022 the Secretariat will continue advancing its aggressive recruitment, retention, and enhanced staff value proposition implementation plan to ensure delivery of 315 staff (90% fill of 350 staff allocated) by the end of 2023. The Secretariat is already realizing improvement with its recruitment streamlining processes with the average time to fill a new position being reduced from 221 days for the Q1 of 2021 to 146 days for Q2 of 2022 The Secretariat suite of initiatives which include presenting an updated salary structure proposal at B34, review of other benefits opportunities, updated People's Plan and innovative HR among others are geared towards addressing the staff turnover challenges influenced by several factors (i.e. salary, location, family, ease of travel, etc.) 	While the end of year fill ratio KPI target is 90%, we are currently 73.67% which should be considered with the turnover rate 18% as of 31 August 2022
6.3	Staff undertaking GCF onboarding and core knowledge training	100%	<ul style="list-style-type: none"> The Secretariat continues to see a relatively high completion of its mandatory training with a progress of 76.46% for this reporting period and an uptake rate of 	

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
			<p>82%, particularly of the Sexual Abuse, and Sexual Harassment (SEAH) policy. Other core mandatory policies include Preventing Workplace Harassment for Employees, Privacy and Data Protection, and Prevention and Protection Against Sexual Exploitation.</p> <ul style="list-style-type: none"> • The Secretariat also provided guidance training to hiring managers to enhance the quality of the recruitment process and hiring decisions. • The Secretariat’s quarterly onboarding sessions held in 2022 for new employees resulted in a 91% employee satisfaction score. 	<p>Mandatory training completion is 76.46% which is a relatively high rate considering the new employees joined until August 2022.</p> <p>Onboarding satisfaction also increased to 91%</p>
6.4	SMT fosters a respectful, harmonious and safe work environment	100% implementation of engagement survey action plan	<ul style="list-style-type: none"> • The Engagement Survey completed in April had an 81% participation rate. The compilation and interpretation of results was finalized in June, with results communicated to both management and all staff. Compared to 2021 engagement survey results, the 2022 results have improved across all areas of engagement. • The 2022 People Plan will be adjusted to ensure it responds to areas of concern identified within the survey with specific initiatives planned for the remaining of 2022 including hiring of an external consultant to survey results and engage stakeholders to identify practical solutions to issues raised by staff. 	In Progress
6.5	Coverage of privileges and	3 agreements and explore other options to fulfil	<ul style="list-style-type: none"> • In the reporting period no new privileges and immunities agreements have been signed. Key issues related to this are described in the Executive Summary. 	

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
	immunities expanded	mandate; pursuit of the initiative with the UN for P&Is at the multilateral level		No new P&I agreements signed
6.6	On-time preparation for and launch of the GCF-2 replenishment process	On-time submission and approval of documents, hosting of meetings and consultations	<ul style="list-style-type: none"> At B.33, the GCF-2 replenishment process was approved and launched (decision B.33/11). The Board also approved a budget of USD 761,000 to conduct the second replenishment process in 2022 and 2023. Following the decision at B.33, the Secretariat organized the initial organizational meeting (IOM). Chaired by the GCF Board Co-Chairs, the virtual meeting convened representatives of contributor countries (potential and existing), Board members, the GCF Trustee, and observers (GCF active observers and secretariats of the UNFCCC, Adaptation Fund and GEF) to discuss arrangements for GCF's second replenishment. During the two-day meeting participants discussed practical details such as the replenishment timeline, workplan, decision framework, invitation of additional observers, financial matters and selection of a facilitator. At the IOM, participants agreed to have the first consultation meeting virtually on 1-2 December. 	70% achievement against the KPI target (remaining KPI target is the organization of first consultation meeting in December)
6.7	Partnerships strengthened and targeted outcomes delivered	At least 4 strategic partner engagements executed with potential to drive	<ul style="list-style-type: none"> The Secretariat for 2022 has conducted strategic partner engagements with two high-profile stakeholder organizations for this reporting period: Coalition of Finance Ministers for Climate Action (CFMCA) and the Pacific Island Forum (PIF) and has scheduled engagement plans in September and November 2022, for the United 	2 of 4 strategic partner engagements have been executed in August 31, 2022 (CFMCA & PIF)

KPI	Description	Target	Activities conducted to support delivery of the KPI	KPI status as at 31 August 2022
		programming outcomes	<p>Nation General Assembly (UNGA 77) and the UNFCCC COP27, respectively.</p> <ul style="list-style-type: none"> The Fund considered these strategic partnerships critical to its operation since it allows its strategic partners and stakeholders to profile the organization as a credible and innovative partner on transformative climate action 	This KPI is on track to achieve the target of 4 by the end of the year.
6.8	Percentage of high risks audited or reviewed in a year	90%	<ul style="list-style-type: none"> Currently finalizing the audits of Risk Management Processes, Post-approval Processes and Readiness and Preparatory Support Programme and conducting the second phase of the audit of the usage of GCF Apps Portal. 	<p>Not yet due</p> <p>The Risk Management Framework is being re-assessed. The result of this KPI will depend on the high risks identified as part of the Risk Management Framework review.</p>

Annex II: Summary of feedback received during the fourth sectoral guide consultation period, May to August 2022

1. Tables 1 and 2 contain a summary of general feedback received on the “Climate information and early warning systems” and “Energy efficiency” sectoral guides between May and August 2022. The guides and the full list of comments received from a variety of stakeholders, including members and alternate members of the Board, advisers, national designated authorities, accredited entities, civil society, public sector organizations and other GCF partners, are available on the HYPE Innovation platform⁴ under their respective sections.
2. Feedback received on the “Climate information and early warning systems” sectoral guide fell within the following topics: (i) general feedback; (ii) climate change; (iii) cross-sectoral linkages; (iv) barriers and enablers; (v) institutions; (vi) finance; (vii) knowledge/capacity development; (viii) technologies; (ix) paradigm-shifting pathways; (x) Sustainable Development Goals (SDGs); and (xi) the role of GCF.
3. Feedback received on the “Energy efficiency” sectoral guide fell within the following topics: (i) general feedback; (ii) inclusivity; (iii) paradigm-shifting pathways; (iv) cross-sectoral linkages; (v) barriers and enablers; (vi) knowledge/capacity development; (vii) technologies; (viii) finance; and (ix) the role of GCF.

Table 1: Summary of feedback received on the “Climate information and early warning systems” sectoral guide

Topic	Summary of comments
General feedback	<ul style="list-style-type: none"> • It would be helpful to incorporate multidimensional priorities of the Sendai Framework for Disaster Risk Reduction (Sendai Framework), instead of focusing exclusively on economic/financial resilience. • Emphasize the transformation and paradigm shift that fuel the ambitions of the Paris Agreement, particularly the role that "Climate information and early warning systems" (CIEWS) adaptation approaches play in developing countries most vulnerable to the impacts of extreme weather and climate events, and compound events. • Explain how CIEWS increases resilience or decreases vulnerability, as well as how it supports resilience and vulnerability. • Note that Impact-Based Multi-Hazard Early Warning Systems (IB-MHEWS) should be more for providing climate advisories than warnings so that the basis is not just disaster risk knowledge but more information on the long-term climate hazards that require longer-term planning. • The interrelation with the Sendai Framework: Pathway 3 is very close to Sendai Priority 3 “Investing in disaster risk reduction for resilience”. The document should further clarify its interrelation with the Sendai Framework.

⁴ <https://www.greenclimate.fund/projects/sectoral-guides>

Topic	Summary of comments
Inclusivity	<ul style="list-style-type: none"> • Include “equity” as an important consideration to ensure inclusive, anti-discriminatory delivery and uptake of information and include considerations of language, literacy levels and other aspects of access. • Strengthen the section on “Benefits of CIEWS” by mentioning the benefits of CIEWS in terms of lives, livelihoods and assets protected and/or financial losses avoided as a result of well-functioning CIEWS. • As a subset of the social protection mechanism, it would be good to mention the disaster risk financing programme. • The guide could expand on social protection systems that can represent a cost-effective delivery mechanism for assistance to affected areas rapidly and effectively when the early warning system triggers a response. • The document contains only a few references to gender-specific aspects of climate information and early warning systems. Women are often affected differently/disproportionately by disasters than men. This aspect could be specified more clearly in the sectoral guide document.
Cross-sectoral linkages	<ul style="list-style-type: none"> • In the table showcasing cross-references with other sectoral guides, elaborate interlinkages to clearly show value-adding and cost efficiencies in the context of circular economy approaches. • Indicate the need for investment in capacity related to the conduct of successful multi-stakeholder processes. GCF should be ready to invest in the paradigm-shifting approaches allowed by bottom-up engagement on readiness planning. • Include a discussion on how existing GCF core policies, like the gender policy or the indigenous peoples policy, intersect with and should, in effect, guide investment approaches in the area of CIEWS. • GCF investment in MHEWS needs to capture practical feedback on effectiveness of the project approaches and of results, ideally through use of a theory of change and monitoring, evaluation, accountability and learning methods in project formulation to ensure that the evidence base is strengthened and that feedback loops operate so that learning informs both project and portfolio adjustments. • CIEWS is central to managing the uncertainty and heightened extremes of risk that characterize a warming planet. Provide additional MHEWS linkages as these are crucial to ecosystem-based adaptation, integrated water resource management and integrated coastal zone management. Restorative ecosystem management and extreme weather events can be harnessed for their productive benefits, and to manage soil and water resource systems at the nested scale of the adaptive management unit, which is the catchment basin or coastal ecosystem, and its subsidiary microbasins or microclimates.
Barriers and	<ul style="list-style-type: none"> • In this section, add low capacity in least developed countries (LDCs)

Topic	Summary of comments
enablers	<p>and small island developing States (SIDS) and insufficient clarity of mandates across national institutions.</p> <ul style="list-style-type: none"> • Include lack of awareness and quantification of the economic benefits of CIEWS as another key market barrier. • Highlight the need for co-creation of climate information systems (CIS) for last mile/first mile communities which is key in enabling decision-making from end users. • In terms of barriers, it is important to highlight that even when the CIS/EWS exist, it does not necessarily reach the last mile communities. Also, note that a CIEWS does not necessarily translate into early actions, thus the disconnect between the EWS and forecast-based action is a major barrier that should be acknowledged in this guide. • A further barrier to be addressed is the lack of social awareness around the subject of meteorology and the importance of early warning systems.
Institutions	<ul style="list-style-type: none"> • Include a reflection aimed at promoting increased private sector engagement in CIS privatization. • Provide more emphasis on the mechanisms to strengthen local level and community leadership and involvement. • The focus on the use of grants to increase the likelihood of social impacts in the CIEWS results area here is appreciated, including through a focus on enhanced direct access for small grants, community-focused approach to reach “bottom of the pyramid” organizations as a way to address “last mile barriers” to benefiting from CIEWS. This should also be further elaborated in the narrative sections, where there is instead an undue focus on large-scale financing/financialization approaches.
Finance	<ul style="list-style-type: none"> • It would be helpful to explain which hazards are part of CIEWS, for example which hazards are considered to be climate related and therefore eligible for GCF funding. • Discuss whether it is appropriate for public funding (such as provided through GCF) to support private-sector proprietary use of and profit-provision from CIS. • Include a discussion on the extent of how private-sector privileged/proprietary CIS could serve to undermine the global public goods mandate and characteristics of CIS. • A systematic observations financing facility is one financing mechanism available to countries. It would be helpful to either present all financing mechanisms available or remove this section. • Include a reference to the USD 1.5 billion estimated by the World Meteorological Organization (June 2022) which will be needed to finance EWSs to protect the entire world over the next five years. • Recommend scaling up funding provided to local accredited direct entities in order to facilitate access to finance for climate risk prevention at the grass-roots level.

Topic	Summary of comments
	<ul style="list-style-type: none"> • In the guidance, GCF notes the key roles of anticipatory action and insurance, as well as the need to link these together under the broader disaster and climate risk finance umbrella. It would be helpful to provide discussion of the GCF strategy or envisioned engagement on disaster risk finance. • Refer to the opportunity to scale up existing successful programmes such as countries with existing climate-resilient early warning system (CREWS) projects in line with the proposed GCF/CREWS scaling-up framework to be developed.
Knowledge/ capacity development	<ul style="list-style-type: none"> • Revise the narrative explaining “early action capacity” to convey the value of fast early action or effective fast response capability. • Specify how many national adaptation plans currently mention linking EWS with anticipatory action as a priority. • Translating early warnings to early action requires national and local plans, including knowing how to act once the warning has been released. Knowing how to act and having emergency funds available should be emphasized in the GCF strategy, as well as the training necessary so that all involved know their roles and responsibilities and can carry them out competently. • Recommend that an assessment of capacity-building provided through international, bilateral and multilateral agencies should be developed when the GCF interventions are designed to deliver long-lasting investments in the human capacity of developing countries in CIEWS. • The section on strengthening the CIS is framed by science-based information and financial decision-making through modernizing hydromet services. It is equally important to mention community and local capacities for CIS, for building resilience and sustainability. • Clarify whether the community knowledge platforms are part of the wider participatory method of developing sustainable MHEWS.
Technologies	<ul style="list-style-type: none"> • The listing of limitations for climate-informed advisory and risk management services is incomplete and should include a reference not just to “accessibility” but also to the “affordability” of such data, including the accessibility and appropriateness of technology to be used. • While the power and potential of e-infrastructure and big data analytics is well recognized, the feasibility and scope of such interventions in LDCs and many SIDS is highly limited. • If GCF requests interventions that focus on advanced e-infrastructure, big data, and AI technologies, please note that investment must simultaneously be made in the underlying hardware and ensuring high-speed connectivity. • In the section on public-private partnerships, mention new opportunities brought by leveraging frontier technologies such as blockchains, artificial intelligence/machine learning to process big Earth data.

Topic	Summary of comments
	<ul style="list-style-type: none"> • Include a discussion on more cost-effective technologies for observing (e.g. remote sensing), forecasting (e.g. machine learning), and communication (e.g. mobile phones etc.). These have the potential to reduce costs and especially the burden of operation and maintenance in many LDCs. GCF should be promoting these technologies where appropriate, especially where traditional approaches are unsustainable. • Additionally, the sector guide does not acknowledge the energy efficiency gains coming from addressing and improving issues related to extended producer responsibility of energy appliances, nor the related issue of safe energy appliance waste disposal.
Paradigm-shifting pathways	<ul style="list-style-type: none"> • Acknowledge the significant overlap between pathways 1 and 2 and distinguish the two from each other. Conceptually within this framework, clarify whether CIS and MHEWS are focusing on different timescales. • Provide reference to and evidence of the importance of GCF investments in the sector to support local, traditional and indigenous knowledge as part of multi-hazard early warning approaches.
Sustainable Development Goals (SDGs)	<ul style="list-style-type: none"> • In the SDGs, it would be useful to mention the indicator on number of lives lost to disasters under Goal 1, calling for an end to poverty. • Explain whether climate services as well as MHEWS contribute to sustainable development.
Role of GCF	<ul style="list-style-type: none"> • Elaborate on the role of GCF to strengthen public investments with a focus on strengthening its own capabilities to provide CIEWS as a public good/service (not just as an enabler of private sector engagement). • Response capability is often thought of as a baseline (development) function that should be funded through non-climate change related funding. Clarify how GCF views response capability and what aspects of response are fundable through GCF. • Elaborate how GCF is coordinating with existing humanitarian structures and actors that already address preparedness and early action for weather-related disasters. • To ensure scientific evaluation, GCF should work with climate experts and engage with the World Meteorological Organization working on creating a Global Framework for Climate Services. • Explain how GCF will persuade national governments to ring-fence funds for hydromet. • Clarify how the GCF Secretariat has aligned/linked with work done with the World Meteorological Organization on the development of information platforms and guidance for providing climate data aspects required for adaptation proposals launched at COP 26 in Glasgow.

Table 2: Summary of feedback received on the “Energy efficiency” sectoral guide

Topic	Summary of comments
General feedback	<ul style="list-style-type: none"> • Include a narrative on the linkages between energy efficiency (EE) and resource efficiency/circular economy. • It would be useful to provide case studies where EE has been implemented and provide the actual figures for emissions reduced based on evaluation reports. • Include examples of case studies where outcomes were challenged by implementation realities. • Include a recommendation that GCF should provide templates for developing EE proposals and tools to develop the baseline and cost benefits analysis suggested in the document. • As part of the conditions for financing, GCF public finance provided for private sector EE investments should be available as open source. Private sector actors receiving finance should not be allowed to restrict access to related data generated by referring to it as being “proprietary business” data. • It would be interesting to see proposals for greenhouse gas reduction targets given the impact of energy-efficient solutions combined with renewable energies for different important sectors such as industry, transportation, and buildings. • The sectoral guide should be complementary with related efforts in other multilateral finance mechanisms, including the Multilateral Fund for the Implementation of the Montreal Protocol (Montreal Protocol) and the Global Environment Facility. Expand on how complementarity can be achieved as well as how duplication will be avoided. • Add the Montreal Protocol as a specific financial mechanism referenced in this section, given potential for complementarity. • Overall, the GCF Energy Efficiency sectoral guide covers well the challenges related to the implementation of energy efficiency solutions as well as solutions that could be implemented to reduce greenhouse gas emissions in the countries concerned.
Inclusivity	<ul style="list-style-type: none"> • Include acknowledgement of the disproportionate impacts of heat stress on people in vulnerable situations within developing countries, including women and girls. • While the reference to GCF environmental and social policies to safeguard against possible negative impacts of large-scale EE infrastructure developments and real estate developments is appreciated, explicit reference for compliance with the GCF Gender and Indigenous Peoples Policies should be included here. • Indicate the importance of social and gender considerations of technology use, access, appropriateness, and applicability. The draft guide is largely silent on the fact that a discussion of technology utilized (energy efficiency for what kind of technology or application) has related social inclusion dimensions, including those related to gender and intersectional factors of age, ethnicity, indigeneity, economic class

Topic	Summary of comments
	etc., which are not sufficiently mentioned.
Paradigm-shifting pathways	<ul style="list-style-type: none"> • Include a discussion in the sectoral guide pathways on how to implement incentives for consumers to purchase highly energy-efficient equipment and to improve consumer acceptability and awareness. • Paradigm-shifting pathway 1 should be "Transformational Policymaking and Planning", instead of "Transformational Planning and Programming" to make it clearer. • The emission reduction potential in the transport sector is at least 3.6 times larger than in that of buildings, and there are more project and financing gaps in transport EE project design and implementation. Explain why there is no separate paradigm-shifting pathway for the transport sector. • Related to the paradigm-shifting pathway of enhancing "space" energy efficiency, it would be valuable to frame the sector guidelines to focus on the whole building sector for energy. While there are some references to the building envelope and heating/cooling spaces, an increased focus on the whole area of building would be valuable.
Cross-sectoral linkages	<ul style="list-style-type: none"> • Include cooling under "Health and Well-being" which is particularly relevant given recent heat waves and related impacts to human health. • Elaborate that the adaptation impact of EE projects is not just related to strengthening the resiliency of electric, district heating and cooling utility systems, but should focus primarily on the resiliency of people as the core beneficiaries of such actions (thus a people-centric, not system-centric justification). • Include linkages with electricity, water/sanitation and transport sectors. • With regard to industry sectors, the guidelines should go beyond steel, chemicals and cement and also cover aluminium, food, textiles and others.
Barriers and enablers	<ul style="list-style-type: none"> • Consider introducing "lack of a financially strong supplier base for energy services" as a barrier since industrial enterprises lack the expertise to identify EE potentials and pursue implementation. They require a supplier base for energy services, commonly the energy service companies (ESCOs). • Include safeguarding rebound effects to ensure efficiency measures contribute to overall energy reduction and address counter effects such as behavioural changes. • Consider including barriers in regulations for entering into long-term contracts, e.g. with ESCOs for the public sector. This is a barrier in several countries where public entities have limits for entering into contracts beyond their annual budgets or there is reluctance to enter into contracts beyond political terms.

Topic	Summary of comments
	<ul style="list-style-type: none"> • Consider including lack of awareness/trust in alternative off-balance sheet financing options, e.g. through ESCOs. • Under “Transformational planning and programming”, consider the introduction of mandatory energy audits with mandatory implementation of the recommendations of the audit which have a reasonable return of investment. The mandatory audit can be phased in over time, targeting firstly the largest consumers with a decreasing threshold over time. • Against the driver “Transformational planning and programming”, add “promotion of energy management system, based on ISO50001:2018”. • Clearly distinguish new constructions and retrofits in both barrier identification and solutions.
Knowledge/ capacity development	<ul style="list-style-type: none"> • Include measures such as regional standards and labelling, EE testing labs and facilities, education, and training for relevant professionals (energy auditors, energy managers, energy planners etc.) for EE actions under “Coalitions and knowledge to scale up success”. • To successfully implement this sectoral guide, it is important to build the capacity of grantees, through workforce development and training programmes to improve energy efficiency across sectors, particularly in developing countries. • Highlight capacity-building and technical assistance for small and medium-sized enterprises, energy auditors, ESCOs, technology suppliers and/or banks to scale up EE financing and ensure significant impacts (for instance, regarding more complex thermal energy-saving technologies for heating and cooling in industrial processes), depending on the country context. • Under “Coalitions and knowledge to scale up success”, it is recommended that GCF should also include a point on disseminating best practices tailored to local contexts that address the gender barriers to accessing energy-efficient solutions (e.g. energy-efficient stoves).
Technologies	<ul style="list-style-type: none"> • Consider removing green hydrogen and focus on less flamboyant technologies. Green hydrogen is not (necessarily) an EE investment. It is a fuel switch technology that requires energy conversion (electricity to hydrogen), implying a loss of 20-35 per cent of the energy in the conversion. • Under “Capital scarcity to finance innovations for technology change in nascent markets”, consider removing the reference to “generally unfavourable institutional risk assessments in nascent markets, which is not particular to energy efficiency, but a general challenge to lending in these markets”. • Consider inserting that “in nascent markets for energy efficiency, the overall investment calculus is distrusted for efficient technologies, where high capital costs are a certainty, but low operational costs are a promise that is not yet backed by experience.”

Topic	Summary of comments
	<ul style="list-style-type: none"> • Provide a better understanding of the implementation approaches "on the ground" of the different cases in terms of technologies and/or implementation modalities. namely what kind of projects do the cases finance, what kind of regulations do they introduce, what kind of technical assistance is provided, how is the private sector is involved and co-finance structured. • Under catalysing climate innovation, consider specific mention of ESCOs, as their business model is congruent with promotion of private-sector-driven technology-agnostic EE and service-based business models. • The focus in the guidelines on minimum energy performance standards (MEPS) for all appliances is highly appreciated. GCF efforts on MEPS should ensure that, in addition to setting the MEPS, countries are equipped to perform the needed testing of equipment and enforcement. Testing and enforcement should have a stronger focus in the guidelines.
Finance	<ul style="list-style-type: none"> • Include a discussion on de-risking tools such as guarantees and energy-saving insurance for industrial EE, in the same way as for "space" EE interventions, since ESCO and energy performance contracting are equally relevant for industrial EE. • Consider including "(Owners of) energy service companies that provide services and investment on behalf of industrial clients". It should be acknowledged that any concessional financing that goes directly to the owners of installations implicitly competes against an ESCO industry that tries to deliver its services on strictly commercial terms. • Under "mobilization of finance at scale", clarify what is meant by "energy efficiency as a service" business models. Explain is this refers to private sector "results-based" financing approaches with financial provision, and conditions of financial instruments pegged to EE outcomes. • Consider adding additional designs of financing programmes such as leveraging national EE funds, utility demand-side management programmes, setting up revolving funds, implementing bill financing, financial incentive programmes, developing bulk procurement, financing early replacement of old technologies.
Role of GCF	<ul style="list-style-type: none"> • Discuss how GCF can help set up, improve, and scale up EE funds. These types of national funds are critical to support long-term EE investment and sustainability of programmes after international support. • GCF should continue to engage with the Montreal Protocol fund to share information on policies, projects and relevant funding

Topic	Summary of comments
	modalities relating to maintaining and/or enhancing energy efficiency while phasing down hydrofluorocarbons.

Annex III: Summary of requests from the Board

A summary of information requests made by the Board members, alternate Board member and advisers on behalf of Board members between 1 January and 31 August 2022, is provided below.

ID	Query	BM/ABM/ADV	Name	Date received
025/2022	NAPs Funding/ Readiness Programme	ADV	Simon Stumpf	06/10/22
026/2022	Pipeline projects for five countries	ADV	Shelby Millen	06/10/22
027/2022	Initiation of the public consultations process on the development of the GCF's ESS- Stage 2: Proposed ESS Standards updates	ADV	Julien Volery	06/17/22
028/2022	GCF Disbursements per year	ADV	Maria Presmanes	06/17/22
029/2022	List of firms/ experts who have prepared GCF funding applications	ADV	Victoria Macdonald	06/20/22
030/2022	Request for meeting: UK GCF Audit	ADV	Shelby Millen	07/28/22
031/2022	GCF Mobilizing Funds at Scale RFP	ABM	Kevin Adams	08/04/22

Annex IV: Status of policy implementation for policies approved in the first replenishment period of Green Climate Fund

Name of item	Status of follow-up actions requiring Board/Committee attention	Current status of policy implementation
Addressing gaps in the current portfolio for measurement (Approved B.28; decision B.28/02)	<ul style="list-style-type: none"> Secretariat finalized budget proposal for Phase 1, approved by Board via B.BM-2021/17. Phase 2 budget for implementation of remedial actions was submitted to Budget Committee submission and approved by the Board (B.33). 	<ul style="list-style-type: none"> Secretariat policy implementation planning completed (Aug 2021). Phase 1 - vendor procured, and remedial action individual workplans designed and budgets for target projects completed (May 2022). Phase 2 tender for vendor under procurement (September 2022)
Update of iTAP modalities (IC-led) (Approved B.28; decision B.28/03)	<ul style="list-style-type: none"> Secretariat presented to Budget Committee (Nov 2021) a proposal on how to align the remuneration structure of members of ITAP with other GCF panels and comparable multilateral institutions. Proposal referred to Investment Committee, and follow-up consultation pending. 	<ul style="list-style-type: none"> Secretariat implementation planning completed (June 2021). Rolling review procedure under implementation. Regular communication between the independent TAP including consultations for finalization and presentation to the Board for approval: Appraisal Guidance (Q2), Adaptation Approach (B.33), Climate Rationale (B.33), and Programmatic Approach (B.35 onwards). Secretariat developing TOR for the commission of the next review of the structure of the independent Technical Advisory Panel (expected 2023).
Evaluation Policy (co-owned with IEU) (BBM-2021/07)	<ul style="list-style-type: none"> No Board/Committee items for Secretariat action. 	<ul style="list-style-type: none"> Secretariat Policy implementation planning completed (Feb 2022). IEU in consultation with the Secretariat finalized the Evaluations Standards (May 2022). MAF, AMA, FAA, and Term Sheets reviewed and revised as applicable for policy coherence. Outreach webinars to stakeholders on Policy implications planned for June 2022. Procurement concluded for advisory services to develop the Evaluation Operational Procedures and Guidelines. Stakeholder consultation process completed and document drafting ongoing (Aug 2022).
Revised Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment (SEAH) (BBM-2021/08)	<ul style="list-style-type: none"> No Board/Committee items for Secretariat action. 	<ul style="list-style-type: none"> Secretariat implementation planning ongoing. SEAH Declarations implemented for all recruitment, procurement, employment and onboarding processes for covered individuals. Communications materials developed and mandatory trainings implemented on Prevention and Protection against SEAH for GCF Personnel. Awareness-raising and trainings pending for BMs, ABMs, Advisers, and External Members.

Name of item	Status of follow-up actions requiring Board/Committee attention	Current status of policy implementation
Administrative Remedies and Exclusions (ARE) Policy (IIU-led) (BBM-2021/09)	<ul style="list-style-type: none"> • Secretariat in ongoing consultation with the IIU on the development of 4 subsidiary documents (Q4, 2022): 1) The Administrative Remedies and Exclusion Procedures; 2) the Administrative Remedies and Exclusion Guidelines for the implementation of this policy; 3) The Integrity Compliance Guidelines; and 4) the Settlement Guidelines. • Documents to be submitted to the EAC and Board post development. 	<ul style="list-style-type: none"> • Secretariat implementation planning ongoing. Finalization pending receipt of 4 finalized subsidiary documents for the ARE Policy.
Integrated Results Management Framework (Approved B.29; decision B.29/01)	<ul style="list-style-type: none"> • Secretariat developed Results Handbook to support IRMF implementation and submitted to the Board for presentation (B.31, B.32, B.33, B.34). 	<ul style="list-style-type: none"> • Secretariat Implementation planning completed (Aug 2021). • Updates to FP template consulted with AEs, and finalized FP template and Guidance Note published in January 2022. • Secretariat implementing 1) AE capacity-building initiatives for on results management, measurement and reporting systems for IRMF implementation, and 2) a new dedicated funding window for DAEs under the Readiness Programme (Jan 2202). PPMS APR 2022 module upgraded and will contain the IRMF indicators.
Guidelines to facilitate Board consideration of IRM reports on reconsideration requests, grievances or complaints (BBM-2021/16)	<ul style="list-style-type: none"> • No Board/Committee items for Secretariat action. 	<ul style="list-style-type: none"> • No Secretariat implementation actions required.
SEAH revisions to the Environment and Social Policy (ESP) (BBM-2021/18)	<ul style="list-style-type: none"> • No Board/Committee items for Secretariat action. 	<ul style="list-style-type: none"> • Secretariat implementation planning completed (Nov 2021). • Policy made effective at B.32, and SEAH risk assessment and measures to prevent, mitigate and respond including through the AE and project-level Grievance Redress Mechanisms integrated in all future GCF-financed activities. Specialists recruited to support policy implementation, and AMAs reviewed and revised for policy coherence. • Secretariat completed Development of SEAH Action Plan, and implementation is in progress (Q1, 2022). • Firm procurement complete, and SEAH Assessment Risk Tool and training materials development at advanced staged (Dec 2022).

Name of item	Status of follow-up actions requiring Board/Committee attention	Current status of policy implementation
Investigation Standards (IIU-led) (BBM-2021/22)	<ul style="list-style-type: none"> Secretariat and IIU work on products for consultation and presentation to the Ethics and Advisory Committee and Board pending finalization of 4 subsidiary documents for ARE Policy. 	<ul style="list-style-type: none"> Secretariat implementation planning ongoing. Finalization pending receipt of 4 finalized subsidiary documents for the ARE Policy.
Updated Accreditation Framework including PSAA (Approved B.31, decision B.31/06)	<ul style="list-style-type: none"> Secretariat conducted AE portfolio analysis and presented to the Board at B.32. Secretariat in consultation with the Board (and other stakeholders) developed an Accreditation Strategy, and under the Co-Chair's guidance presented the Accreditation Strategy at B.33, with resubmission at B.34. 	<ul style="list-style-type: none"> Implementation planning ongoing (expected June 2022). Updated Accreditation Framework streamlining (document preparation, Digital Accreditation Platform updates), and project-specific assessment approach (PSAA) as an accreditation approach are under way. TORs under development for procurement to establish of a roster of competent external consultants or consultancy firms to support AP in Stage II (Step 1) reviews.
Update of the Simplified Approval Process (SAP) (Approved B.32; decision B.32/05)	<ul style="list-style-type: none"> No Board/Committee items for Secretariat action. 	<ul style="list-style-type: none"> Secretariat implementation planning completed (June 2022). Secretariat approved SAP SOP for external firm review and CIC standard. SAP appraisal toolkit updated and ready for publication (September 2022). Firm procurement complete, and development of the SAP Results-Based Monitoring and Reporting system ongoing.
Review of the initial Private Sector Facility modalities and private sector strategy (Approved B.32; decision B.32/06)	<ul style="list-style-type: none"> Secretariat prepared a report on implementation of the private sector strategy for Board consideration (B.34). 	<ul style="list-style-type: none"> Secretariat implementation planning completed (June 2022). Programming engagements ongoing, and a dedicated Global Private Investment Conference (GPIC) scheduled for September 2022.
General guidelines for the operation of Board committees: Co-Chairs' proposal (CC-led) (Approved B.32; decision B.32/09)	<ul style="list-style-type: none"> Secretariat supported the Co-Chairs to launch the review of committees, panels and groups. The review will be presented for Board consideration (B.34). 	<ul style="list-style-type: none"> Standard operating procedures for the operation of Board committees (first draft completed), and overview of Committee structure, and membership published on GCF Website.
Balloting Procedure: Next steps in the event that a Board member is unable to join consensus regarding the outcome of the balloting procedure (CC-led)	<ul style="list-style-type: none"> No Board/Committee items for Secretariat action. 	<ul style="list-style-type: none"> Secretariat implementation completed. The B.23/03 voting procedures to reflect the balloting procedure adopted at B.32 has been updated.

Name of item	Status of follow-up actions requiring Board/Committee attention	Current status of policy implementation
(Approved B.32; decision B.32/10)		
BBM Guidelines: Co-Chairs' proposals on the guidelines to determine in which cases decisions without a Board meeting may be requested (CC-led) (Approved B.32; decision B.32/11)	<ul style="list-style-type: none"> No Board/Committee items for Secretariat action. 	<ul style="list-style-type: none"> Secretariat implementation completed. The guidelines to determine in which cases decisions without a Board meeting may be requested will be referenced and implemented as applicable. These documents constitute additions to the Board-approved repertoire of reference documents.
Steps to enhance the climate rationale of GCF-supported activities (Approved B.33; decision B.33/12)	<ul style="list-style-type: none"> No Board/Committee items for Secretariat action. 	<ul style="list-style-type: none"> Secretariat implementation planning ongoing (expected September 2022). First meeting of Global Forum on Climate Information Science planned for September 2022, and website with climate information resources and training materials under development (Q4, 2022) .
Guidance on the approach and scope for providing support to adaptation activities (Approved B.33; decision B.33/13)	<ul style="list-style-type: none"> No Board/Committee items for Secretariat action. 	<ul style="list-style-type: none"> Secretariat implementation planning ongoing (expected September 2022).
Second review of the GCF's financial terms and conditions (Approved B.33; decision B.33/14)	<ul style="list-style-type: none"> Secretariat to consult with the IC in development of the third financial terms and conditions of the GCF financial instruments for Board consideration (B.36). Secretariat to consult with the IC in development of the third financial terms and conditions of the GCF financial instruments for Board consideration (B.37). 	<ul style="list-style-type: none"> Secretariat implementation planning ongoing (expected September 2022). TORs under development for procurement of firm for studies on local currency financial pilot programme, and the more efficient deployment of GCF's financial instruments.

Annex V: List of memorandums of understanding in effect as at 31 August 2022

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 + 3 year extension	Non-binding	To develop capacity-building programmes and knowledge exchange across a number of thematic areas, explore opportunities including existing projects and pipeline and jointly organizing virtual meetings on technical issues of common interest.
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
6	General cooperation	Swedish International Development	Framework agreement on secondments	5 December 2018	Valid until terminated by one or both	Binding	Sweden, represented by SIDA and GCF, agree to cooperate around a Secondment

No	MOU type	Partner organizations	Title	Date signed	Term	Legality	Category/purpose
		Cooperation Agency (SIDA)			parties, subject to 30 days' written notice of termination to the other Party		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</p>

No	MOU type	Partner organizations	Title	Date signed	Term	Legality	Category/purpose
							IDFC members and support for capacity-building activities; and (d) Outreach and awareness-raising (Under discussion to extend the term of the MoU)
9	General cooperation	Seoul National University	MoU between Seoul National University and the Green Climate Fund	18 November 2020	5 years	Non-binding	(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 programmes that mobilize and nurture developing countries' stakeholders on issues related to climate change and sustainable development; (f) Joint programmes on climate action; (g) Organization of events; (h) Educational content;

No	MOU type	Partner organizations	Title	Date signed	Term	Legality	Category/purpose
10	General cooperation	Korea Water Resources Corporation, Republic of Korea (K-Water)	Framework Agreement between K-Water and GCF	16 December 2021	3 years	binding	For staff secondment
11	General cooperation	Foreign, Commonwealth and Development Officer (FCDO)	Outward Secondment Agreement between FCDO and GCF	6 May 2021	3 years	binding	For staff secondment
12	General cooperation	ICEX España Exportacion e Inversiones	Framework Agreement between ICEX and GCF	10 February 2022	1 year	binding	For staff secondment
13	General cooperation	Ministry of Foreign Affairs (MOFA) of Denmark	Framework Agreement between the MOFA of Danmark and GCF	1 March 2022	3 years	binding	For staff secondment
14	General cooperation	Expertise France (EF)	Framework Agreement between the EF and GCF	In development	Under discussion	In discussion	For staff secondment

No	MOU type	Partner organizations	Title	Date signed	Term	Legality	Category/purpose
15	General cooperation	Ministry of Economy and Finance (MOEF), Republic of Korea	Framework Agreement between MOEF Republic of Korea and GCF	In development	Under discussion	In discussion	For staff secondment
16	General Cooperation	Japan International Cooperation Agency (JICA)	Framework Agreement between JICA and GCF	In development	Under discussion	In discussion	For staff secondment
17	General Cooperation	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	Framework Agreement between GIZ and GCF	In development	Under discussion	In discussion	For staff secondment
18	General Cooperation	UNFCCC Secretariat	Strengthening Collaboration between the UNFCCC and GCF through the exchange of personnel (LoU)	In development	Under discussion	In discussion	For staff secondment

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

Annex VI: Report on the implementation and operationalization of the private sector strategy

I. Introduction

1. Through decision B.32/06, the Board requested the Secretariat to report to the Board at its thirty-fourth meeting (B.34) on the operationalization and implementation of the private sector strategy (PSS), including a set of actions and accompanying timetable, and annually thereafter on progress in implementing the strategy and outreach plan.
2. This report provides the Secretariat's progress in implementing and operationalizing the private sector strategy as per the decisions of the Board and indicates ways forward including a time-bound action plan.
3. Up to the date of publication of this report, the Secretariat has conducted extensive consultations with Board members and alternate Board members, national designated authorities (NDAs), accredited entities (AEs) and other stakeholders. This report includes a summary of engagement and outreach conducted by the Secretariat since adoption of the private sector strategy. The Secretariat will continue its engagement and outreach efforts as outlined in the outreach plan of the adopted private sector strategy.

II. Summary of engagement and outreach to date

2.1 Board engagement

4. Following the adoption of the private sector strategy at B.32, the Secretariat engaged in bilateral discussions with Board members virtually and in person, including during B.33 held in July 2022 in the Republic of Korea.
5. Multiple Board members noted their appreciation for the opportunity to participate in the process of implementing and operationalizing the private sector strategy, an important milestone for GCF in becoming more effective and efficient.
6. The Secretariat invited Board members to share their views and provide inputs on the implementation and operationalization of the private sector strategy.
7. The Secretariat welcomes and notes the feedback received from Board members through the various exchanges, notably:
 - (a) The need for clear linkages between the operationalization of both the private sector strategy and the project-specific assessment approach (PSAA);
 - (b) The need to increase capabilities and staffing of the Private Sector Facility (PSF);
 - (c) The need to increase the number of funding proposals submitted from the private sector at each Board;
 - (d) The imperative for AE and partner diversification;
 - (e) The restatement that the upcoming pipeline should meet the targets of the first replenishment period of GCF (GCF-1), especially with regard to adaptation and direct access entities (DAEs);
 - (f) Create greater opportunities for involvement of local private sector actors with international actors and high-level platforms to leverage finance at scale;

- (g) Re-think how the private sector portfolio allocation targets are measured in connection with the updated Strategic Plan for 2023-2027;
 - (h) Explore the possibility of differentiated approaches for public and private sectors;
 - (i) Explore how to best leverage the comparative advantage of GCF as the flagship fund for implementation of the Paris Agreement to strengthen the role of private finance in the context of post-2025 climate finance goals;
 - (j) Enhance the role of the private sector in implementing national adaptation plans (NAPs); nationally determined contributions (NDCs) through the Readiness Programme; and focusing on raising the level of ambition and development of investment plans;
 - (k) Identify other barriers to climate change, and not limited to climate finance;
 - (l) Foster cross-cutting projects and consider higher levels of concessionality for adaptation;
 - (m) Collaborate with other climate funds with regard to result management as reporting and indicators will be needed in new areas;
 - (n) Convene a group of private sector experts to support the Secretariat in identifying challenges and opportunities;
 - (o) Importance of local currency financing solutions and insurance products;
 - (p) Importance of technology accelerators/incubators;
 - (q) Importance of requests for proposals (RFPs)
 - (r) Use GCF funds for junior tranche investments – reporting on the specifics of how GCF can use more first loss, junior tranche, guarantees;
 - (s) Leverage the newly adopted simplified approval process (SAP) procedures; and
 - (t) Adopt a holistic and integrated approach to other policy and strategy developments by GCF to integrate private sector strategy aspects.
8. It is to be noted that the engagement with Board members will continue until all constituencies have had the opportunity to exchange with the Secretariat, and such engagement will be included in future reporting.
9. The inputs and feedback received from Board members directly feed into the implementation and operationalization of the private sector strategy as described in this report and will continue do to so as the Secretariat further engages with the Board and other relevant stakeholders.

2.2 Private sector and accredited entity engagement

10. Since the adoption of the private sector strategy, the PSF has actively engaged with AEs and private sector executing entities (EEs) to discuss potential pipelines that are aligned with the PSS.
11. While a detailed implementation plan for the PSAA modality is still under development, this modality has been discussed with several private sector counterparts, including with private sector fund managers, financial institutions, entrepreneurs and business leaders.
12. Feedback received on this new modality has been positive.

13. Furthermore, as per the Board mandate emanating from decision B.31/06, the Secretariat will be prioritizing, during the first year of PSAA implementation, PSAA proposals and accompanying funding proposals from:
- (a) Subnational, national, and regional entities based in developing countries, particularly those from developing countries that have yet to have an approved GCF-funded activity at the time of the launch of the project-specific assessment approach; and
 - (b) Entities responding to requests for proposal issued by GCF.⁵
14. Taking the strategic priorities into consideration, PSF has engaged in discussions with potential private sector partners on catalysing adaptation finance at scale in developing countries, with a focus on least developed countries (LDCs) and small island developing States (SIDS). The sectors of the pipelines discussed include resilient agriculture, infrastructure, forests, and waste to energy.
15. PSF will continue to seek active engagement with AE and private sector institutions to develop new pipelines that are aligned with the private sector strategy.

2.3 National designated authorities and country engagement

16. Since the adoption of the private sector strategy, PSF has engaged with NDAs/focal points from the early stage of the GCF project and programme cycle to implement the PSS. PSF, together with the Division of Country Programming (DCP), supported NDAs/focal points in developing and updating country programmes and prioritizing high impact projects and programmes aligned with country priorities and the PSS where the private sector elements are relevant.
17. The country programmes in which PSF has been involved during the reporting period are in the Asia-Pacific region and the Caribbean. PSF will continue to collaborate closely with DCP in actively engaging with NDAs/focal points for new and updated country programmes to create awareness for opportunities for private sector funding.

2.4 GCF Private Investment for Climate Conference and Global Programming Conference 2022

18. The GCF Private Investment for Climate Conference (GPIC) serves as a key element of the private sector strategy outreach plan and implementation tool of the private sector strategy. The fifth edition of the GPIC returned to an in-person format on September 15–16, 2022, at the Paradise City Hotel in Incheon, Republic of Korea, while also allowing for webcast and virtual participation. GPIC 2022 provided an opportunity for business leaders, entrepreneurs, investors and financiers to engage directly with top-level national leaders and private sector executives to discuss new approaches and innovations to climate action. GPIC 2022 objectives included:
- (a) Convene global leaders, executives, experts and thought leaders from business, governments, financial institutions and technology companies to debate and identify solutions that accelerate private sector driven climate action in developing countries;
 - (b) Showcase successful private sector-driven projects and programmes that are enhancing the adaptive capacity of vulnerable people and accelerating climate innovation;

⁵ The requests for proposal may include those for the pilot phase for enhancing direct access (decision B.10/04), the pilot programme to support micro, small and medium-sized enterprises (decision B.10/11), and the pilot programme to mobilize funds at scale in order to address adaptation and mitigation (decision B.16/03).

- (c) Forge new partnerships and alliances between international and developing country private sector entities and GCF; and
- (d) Highlight the recently approved private sector strategy to guide pipeline development and PSAA proposals.

19. Coupled with and building on the work of previous GPICs, the 2022 conference marked the launch of the second replenishment period of GCF and served a crucial event for GCF to capture the attention of both contributor countries and developing country supporters while demonstrating impact on the ground. GPIC 2022 built upon engagements and previous events attended by the Secretariat including and not limited to the World Economic Forum (May 2022) and the Pacific Islands Forum (June 2022) and past engagements during the first and second quarters of 2022 including the World Forestry Congress and Our Ocean Conference.

20. Further, the GPIC programming aligned with the GCF private sector strategy and served as an implementation tool in launching the project-specific assessment approach and delivering on its private sector outreach plan. In that regard, GPIC hosted marketplace sessions where entrepreneurs, business owners, project developers and others presented their climate solutions to a small group audience parallel to the larger plenary sessions. The Secretariat has taken note of these conversations to consider when building out its initial PSAA pipeline.

21. The GCF Global Programming Conference (GPC) took place on September 12–15, 2022, at the same venue. Whereas GPIC is targeted to a broad audience of private sector actors, GPC is meant for NDAs, AEs, DAEs, Readiness Delivery Partners and other existing partners of GCF.

22. By hosting the events simultaneously this year, GCF provided an opportunity for matchmaking between private sector entities and existing GCF partners that can sponsor funding proposals. Moreover, several GPC sessions were dedicated to informing existing GCF partners of the private sector strategy and how they will help to achieve it through targeted programming and capacity-building.

III. Developing a private sector strategy pipeline aligned across the four prongs

23. Since the adoption of the private sector strategy, all deliberative actions of the Secretariat in development, assessment, and appraisal of the funding proposals pipeline are now ensuring alignment with Board decisions related to the private sector strategy.

3.1 Promote a conducive investment environment for combined climate and economic growth activities

24. GCF is updating its Readiness operating procedures and as part of this exercise has developed more detailed guidelines to share with NDAs on how to use the Readiness Programme to promote engagement with the private sector and create an enabling environment for private climate investment. The guidelines include activities related to:

- (a) Identifying national priorities and needs through, for example, mapping exercises, barrier assessments and national sustainable finance road maps;
- (b) Building green finance knowledge and capacity of financial sector stakeholders through, for example, training for central banks and commercial institutions, establishing national sustainable finance committees or banking associations and supporting accreditation to GCF;

- (c) Issuing green finance regulations or guidelines such as green taxonomies, central bank policies, climate disclosure requirements and green finance guidelines for the banking sector; and
 - (d) Developing green financial products, institutions, and markets by establishing national green finance vehicles, sustainable stock exchanges, green bond principles and products such as weather-indexed insurance.
25. PSF reviews all Readiness proposals to ensure that private sector elements are included when relevant and is working with DCP to engage with NDAs and offer ideas as to how they may use the Readiness Programme to promote a conducive investment environment for climate projects in line with national priorities. Going forward, GCF will offer new trainings to NDAs, so they are aware of these types of uses of Readiness and help them to co-develop private sector-oriented proposals in line with best practices. These trainings are currently under development with support from Deutsche Gesellschaft für Internationalen Zusammenarbeit (GIZ) and the Frankfurt School of Finance & Management.
26. Further, technical assistance is being integrated into all funding proposals to ensure they provide elements for enabling policy and country capacity for sustainability and replication of funding proposal outcomes.

3.2 Accelerate innovation for business models, financial instruments and climate technologies

27. Since the adoption of the private sector strategy, the PSF team, in coordination with other divisions of the Secretariat and other stakeholders, dedicated a substantial amount of effort and available resources to facilitate accelerated innovation for business models, financial instruments and climate technologies. For instance, several funding proposals that are reaching different stages of review and preparation process within GCF are dedicated to the support of incubator and accelerator programmes for climate technology start-ups.
28. Together with GIZ, GCF has submitted for the Board's consideration at B.34 "Concerted Action To Accelerate Local I.5° Technologies" – a funding proposal that will establish and implement regional technical assistance and investment grant platforms to build a portfolio of early-stage climate ventures in Latin America and West Africa (including several LDCs and SIDS). The objective of each regional platform will be to trigger venture capital investments in start-ups and young businesses with the highest climate mitigation impact and business growth potential and provide support for:
- (a) Climate ventures;
 - (b) Pre-accelerators, accelerators, and entrepreneur support organizations; and
 - (c) Facilitate investment from venture capital firms and other private sector actors in climate-focused start-ups.
29. Climate innovation underpins another funding proposal that GCF has supported using the Project Preparation Facility (PPF) with Korea Development Bank as the AE. The "Collaborative R&DB Programme for Promoting the Innovation of Climate Technopreneurship" targets Cambodia, Indonesia, Lao PDR, Philippines and Viet Nam and will offer a collaborative research, development and business (R&DB) platform to promote technological innovation and business models that best fit the mitigation and adaptation technology needs in these five countries. The project establishes a fund of up to USD 200 million to encourage commercialization of disruptive climate technology solutions and empower the regional

ecosystem for innovation uptake. The funding proposal under development will target funding in 2023.

30. Following United Nations Framework Convention on Climate Change (UNFCCC) guidance and Board decisions to consider ways to provide support for facilitating access to climate technologies, and for undertaking collaborative research and development to enable developing countries to enhance their climate action, the Secretariat prepared a draft “Request for Proposal for Climate Technology Incubators and Accelerators” for developing countries with a focus on LDCs and SIDS. The draft RFP will be discussed by the Board for inclusion in future Board consultation.

31. In line with the private sector strategy and recently approved PSAA, this RFP proposes to support the development of a climate technology innovation ecosystem in developing countries with a focus on LDCs and SIDS specifically, by providing support to climate technology incubators and accelerators who invest in local entrepreneurs, start-up companies and early-stage enterprises working on innovative technologies.

32. The proposed RFP will allocate GCF financing to amplify the climate technologies impact and to promote development impacts with an emphasis on those that support development of climate adaptation technologies and adopt a gender-responsive approach.

33. Ongoing outreach efforts will further enhance the innovation aspect for business models, financial instruments and climate technologies in the PSF portfolio by bringing to the Board a pipeline of the projects aiming at innovative zero-emission energy-generating and storage systems, green hydrogen, climate adaptation technologies and financial solutions, such as equity, guarantees and hybrid instruments, further catalysing the private sector into climate action at scale.

3.3 De-risk market-creating investments to crowd in private climate finance

34. GCF is actively engaged with private sector actors including local/regional financial institutions and asset managers in designing investments that specifically address investment and financial barriers and high-risk perceptions of investors. GCF is increasingly exploring the use of equity, sub-debt and guarantees that can catalyse capital and impacts by attracting risk-averse pockets of commercial capital.

35. Some examples of the projects in the pipeline include:

- (a) GCF is working with an impact asset manager to co-seed and scale-up an LDC-focused investment/financing platform that will aim at increasing the volume of high-risk finance, such as development stage capital, for small-scale energy projects in sub-Saharan Africa, that often fail to attract capital from traditional sources of finance. The proposal is currently being developed and will likely be ready for the consideration of the GCF Board in the first half of 2023. GCF investment, in the form of equity, will potentially help crowd-in commercial capital and increase investment flows into LDCs.
- (b) The Secretariat is submitting to the Board a funding proposal for Green Guarantee Company (GGC) for its consideration at B.34 by MUFG as the AE. GGC is an innovative financial solution which will mobilize large scale climate finance from risk-averse global credit and capital markets to help developing countries meet their mitigation/adaptation targets as articulated in their NDCs. This is a first-of-its-kind dedicated innovative guarantee instrument for climate finance at scale in developing countries.

- (c) Developing countries have expressed the need for additional international financial support to reach their country-specific resilience and greenhouse gas savings targets – as there are limited public resources to do so. GGC is a newly formed private limited company to provide guarantees to mobilize loans and bonds from global capital markets for mitigation and adaptation projects in developing countries with a global programme scope spanning Africa, Asia, and Latin America and the Caribbean.
 - (d) A key element of GGC’s value proposition will be the development of a digital platform that will build the capacity of issuers and lenders unfamiliar in environmental, social and governance and climate change monitoring and reporting to meet the international reporting standards required by global investors, and to increase awareness of issuers and lenders of the need for climate finance.
36. GCF continues to engage with institutional investors and has several projects in the pipeline designed to mobilize their investment at scale into climate projects in developing countries, including an adaptation proposal targeted for B.35 with one of the top global pension funds. In its assessment and development of proposals, the Secretariat continues to encourage inclusion of local financial institutions and local private sector actors with institutional investors.

3.4 Strengthen domestic and regional financial institutions to scale up private climate finance

37. GCF is working with countries and private sector institutions to green the financial system. In this regard, GCF is developing projects that strengthen the domestic and regional financial institutions (FIs) by de-risking local FIs’ investments in mitigation and adaptation, providing support by way of concessional financing to local FIs to crowd-in investments in climate projects and capacity-building of the local institutions to scale up private climate finance. In addition, GCF also leverages the Readiness Programme and PPF to support domestic and regional FIs in developing climate finance proposals.
38. The pipeline includes PSS aligned projects such as:
- (a) Providing credit guarantee to local FIs in Indonesia to de-risk their debt financing to small and medium-sized enterprises (SMEs) in energy efficiency projects;
 - (b) Development of a climate finance facility in Cambodia;
 - (c) PPF support to Barbados for development and operationalization of a regional financing vehicle for overcoming the financing challenges and constraints of climate change adaptation and mitigation; and
 - (d) A programme for strengthening rural adaptation finance for small producers and rural micro, small and medium enterprises (MSMEs) involved in food systems in Eastern and Southern Africa.
39. Going forward, the Secretariat is working towards adjusting its PPF approval process to provide quicker support to DAE financial institutions and will continue to use a combination of the Readiness Programme, PPF and funding proposals to provide capacity-building support to promote country-driven green financial markets.

IV. Actions taken to strengthen institutional capacity to deliver on the private sector strategy targets

4.1 Secretariat capacity

40. Since approval of the private sector strategy, the headcount for PSF has already been increased to 30 staff from the previously approved 20 (end of 2022). Further reorganization of PSF is being undertaken with verticals focused on ecosystems and nature; climate resilient infrastructure; human well-being (food, water, health and livelihoods); energy transition; and industrial transition. Recruitment is ongoing to ensure experience and skill sets of the PSF team are aligned with the needs of the private sector strategy.

41. Further, the Secretariat is also increasing the emphasis on private sector experience and knowledge in recruitment of open positions across all divisions including Division of Country Programming, Office of the General Counsel, Division of Portfolio Management and Office of Risk Management and Compliance. This will ensure private sector pipeline development and portfolio implementation is seamless across the Secretariat and delivers on its potential.

42. Finally, learning and development opportunities are under development to increase skills across divisions on new and innovative financial instruments with a focus on equity and funds.

4.2 Independent Technical Advisory Panel capacity

43. Implementation of the private sector strategy will require an increase in capacity of the independent Technical Advisory Panel (independent TAP) for reviewing private sector projects. The current capacity is limited especially with regards to the mandate of the private sector strategy which focuses on higher risk appetite and innovative funding mechanisms. The matter has been brought to the attention of and is under deliberation by the Investment Committee of the Board.

44. Meanwhile, the Secretariat is continuing consultation and engagement with the independent TAP on key elements of the private sector strategy and is continuing open discussions on a holistic approach to scaling up the private sector pipeline and proposals aligned with the strategy.

V. Ways forward including actions and timetable

5.1 Ways forward identified in the private sector strategy

45. Building on the ways forward identified in the adopted private sector strategy, the Secretariat continues its efforts to:

5.1.1. **Enhance the private sector's contribution towards developing and implementing NDCs, NAPs and long-term climate strategies.**

46. The Secretariat is currently developing private/financial sector modules for the NDAs and will seek the NDAs areas of interest along the following lines:

- (a) Identification and alignment of the private sector's areas of intervention with the country's NDC/country programme priorities and needs;

- (b) Development of a green financial system for private sector investments (policy framework incentives, green finance regulations or guidelines, enabling environment);
- (c) Development of new green financial products, institutions and markets that accelerate uptake of climate technologies;
- (d) Strengthening private-public partnerships for climate actions; and
- (e) Effective engagement and coordination mechanisms with private sector actors (financial regulators and financial institutions, including central banks, national development banks, local financial institutions – and the end users of the financial products – industry groups and MSMEs.

5.1.2. Leverage improvements in the accreditation process, including a project-specific assessment approach and enhance GCF engagement with non-accredited entities.

47. The project-specific assessment approach pilot, to be launched in 2023, will allow organizations that have a climate project proposal to bring it directly to GCF for rapid consideration. This new pathway will apply to entities from the public and private sectors, and non-profit organizations.

48. During the first year, priority will be given to project proposals coming from subnational, national, and regional entities based in developing countries, particularly those from countries without an existing GCF-funded project, with seed funding to develop project ideas being made available through the GCF Project Preparation Facility.

5.1.3. Explore new modalities to scale up the use of guarantees and equity, enhance GCF support to close the insurance protection gap and reduce foreign exchange risks for direct access entities.

49. GCF actively intends to expand its work related to insurance under its existing modalities. Notwithstanding the fact that insurance is not an approved financial instrument, and further recognizing how critical insurance is to investments in mitigation and adaptation, GCF is actively evaluating how insurance can be built into financing structures, while remaining within the realm of approved financing instruments.

50. As of B.34, GCF has an active pipeline of projects being developed for the GCF-1 and GCF-2 periods. These include, among other interventions, the provision of insurance to complement investment in climate risk reduction measures in infrastructure, agriculture, energy, ecosystems and other projects specific to GCF result areas.

51. GCF is also actively exploring projects deploying innovative financial mechanisms, such as blue bonds and debt for nature swaps, where insurance may be provided alongside other GCF instruments, particularly guarantees.

52. GCF will retain its focus on ex ante risk reduction, including through early warning systems, and to the extent permitted by UNFCCC and Conference of the Parties guidance on financing loss and damage, evaluate opportunities in risk financing to complement risk reduction investments.

53. GCF will explore working with existing specialist guarantee institutions that are well rated and have a robust track record of issuing guarantees for the purposes of mobilizing finance from various sources such as financial institutions or capital markets. Different structuring approaches (such as counter-guarantee, ring-fenced risk-capital, or a guarantee facility) for eligible climate projects could be developed, on a blended finance basis.

54. Partnering with existing specialist guarantee institutions will allow GCF to leverage the market knowledge, market reach, experience and credit rating of such institutions, and enable mobilization of capital at scale from risk-averse pockets of institutional investors, especially in local currency. PSF is currently in discussions with a few experienced specialist guarantee institutions and the project-specific assessment approach would be instrumental in expediting discussions and implementing such structures and modalities.

55. GCF will also explore increasing the use of equity to co-create and co-seed investment platforms, which is a scalable and systemic approach to mobilize capital from different classes of investors, with different risk-return requirements. An example of such an approach is FP186: India E-mobility Financing Program.

5.1.4. Develop innovative financial instruments that catalyse developing countries' access to private climate finance without increasing their debt burden.

56. Engage with accredited entities and domestic private sector players to develop tailored financial structures using different financial instruments such as equity, debt and guarantee for mitigation and adaptation projects.

57. Local currency financing can be facilitated by providing credit guarantees to the local currency bonds and loans.

58. GCF concessionary funding can be used to facilitate access to insurance.

5.1.5. Develop and implement a private outreach plan to advance the implementation of the private sector strategy.

59. The Board, through decision B.32/06 paragraphs (i) and (j) welcomed the private sector outreach plan as contained in annex VI of the private sector strategy.

60. The outreach plan outlines a four-pronged approach to building strong partnerships with the private sector:

- (a) Engage with developing countries, including NDAs and ministries responsible for finance and investment, to enhance their understanding of the GCF private sector strategy and its value to the national investment priorities;
- (b) Engage domestic private sector actors including commercial banks, local financial institutions, capital market players, and enterprises to increase their participation in GCF-financed activities and as a potential engagement in PSAA;
- (c) Engage with a broader network of international and domestic private sector entities to scale up private climate finance for developing countries; and
- (d) Leverage GCF convening power to promote innovative partnerships between developing countries and the private sector.

61. In addition to outreach conducted as part of regular activities and dedicated efforts at the GPC and GPIC 2022, GCF will participate in global and regional leadership initiatives and networks such as the Coalition of Finance Ministers, Partnership for Growth, and others to share GCF knowledge and experience and to learn from others; and

62. The Secretariat continues its work to implement the private sector outreach plan, and activities are included in the Secretariat's annual work programme.

5.2 Linkages and synergies with GCF initiatives and processes

63. Implementing the private sector strategy requires coordination across the Secretariat so that operational procedures and implementation of new policies all work towards joint objectives. The most relevant initiatives that are underway since the passing of the private sector strategy are described below.

5.2.1. Accreditation and project-specific assessment approach

64. The updated accreditation framework and procedures to implement the PSAA are being developed with a focus on promoting access to GCF resources for developing country private sector entities that can bring projects in line with GCF priority sectors and instruments. The PSAA is scheduled to be launched in April 2023 in line with decision B.31/06. GCF is also already building the pipeline for PSAA through engagements with mobilizing funds at scale RFP shortlisted participants, GPIC attendees and others.

5.2.2. Internal efficiency improvement

65. Internal working groups have been created to improve operational efficiencies around funding proposal and term sheet review, FAA development and other due diligence procedures. This will improve the speed of delivery in line with expectations from the private sector.

66. Further consultation with AEs and other stakeholders including international expert bodies is ongoing to explore synergies with private sector climate mitigation and adaptation assessment and valuation methodologies. This will ensure greater transparency and faster mobilization of finance from the private sector.

5.2.3. Local currency financing

67. Local currency funding would enable GCF to enhance its support to strengthen local capital markets and enhance access to affordable financing, particularly for local financial institutions and MSMEs. By providing solutions to hedge currency risk, GCF will contribute to more sustainable development in emerging and frontier markets developing local capital markets, while protecting investment partners and their clients. Fully aligned with the principle of country ownership, many DAEs have requested local currency financing.

68. The Secretariat is exploring ways in which GCF can provide local currency financing in multiple ways. GCF can hedge against potential currency fluctuations by transferring the foreign exchange risk to funds specialized in non-commercial hedges.

69. Alternatively, GCF can establish local currency climate investment vehicles to de-risk and make available domestic institutional capital denominated in local currency. Through this approach, GCF will seed local investment vehicles along with existing AEs and other financial institutions through equity and equity-like instruments.

70. The vehicle would initially be seeded by GCF, the AE and opportunistically other domestic or international financial institutions. Since the vehicle will raise long-term local currency “patient capital”, it will have a significantly higher risk tolerance relative to the domestic banks. Consequently, this will enable the vehicle to offer tailor-made de-risking instruments such as take-out guarantees, long tenor credit guarantee and subordinated instruments.

5.2.4. Readiness support, country programming and country ownership

71. Readiness procedures are being revised and additional support will be provided to NDAs to develop effective private sector-oriented proposals, as described in Section 3.1.

72. At present less than 5 per cent of country programmes include private sector programming. Further, nomination of private sector DAEs by NDAs is limited. This presents a tremendous challenge to increasing private sector proposals. As mentioned above, action has already been initiated to deepen engagement with NDAs/focal points to increase private sector proposals at a country level.

73. Furthermore, the Secretariat is working towards revision of the country programming and country ownership frameworks for further consideration of the Board. While DCP will be leading these efforts, PSF is engaged to ensure that private sector strategy elements are holistically integrated.

5.2.5. Risk management framework

74. In decision B.17/11, the Board adopted the first set of components of the risk management framework; this included the risk appetite statement, which sets out the levels of risk that GCF is willing to take in order to achieve its mission to promote a paradigm shift towards low-emission and climate-resilient development pathways.

75. The Secretariat is reviewing and revising the risk management framework, in accordance with the Board's Workplan for 2020–2023; the revised risk appetite statement is expected to be ready by the end of 2022 for consultation with the Board and other relevant stakeholders. This revision is taking full account of decision B.32/06, in which the Board adopted the private sector strategy to build GCF's strategic priority of catalysing private sector finance at scale.

76. In particular, the Secretariat is working on developing practical policies that will take account of:

- (a) The considerable uncertainties around the investment risks needed to position GCF as a high-risk fund that aims to catalyse investment in transformative adaptation and mitigation projects;
- (b) The need to include indicative numerical values defining GCF's risk appetite for investments aligned with the strategy;
- (c) The need for greater access to early-stage risk capital to support climate technology ventures and accelerate climate innovation in developing countries; and
- (d) The need of new modalities to scale up the use of high impact financial instruments and reduce foreign exchange risks for DAEs.

5.2.6. Simplified approval process

77. The SAP procedures are being adjusted in line with decision B.32/06 to significantly reduce the time of processing SAP proposals, which is one of the key bottlenecks for the private sector. The Secretariat expects to begin implementing the revised procedures in early 2023.

5.3 Policy implementation plan

78. As guided by the GCF Policy Manual, following its adoption, the private sector strategy formally entered the implementation phase, and the Secretariat developed a policy

implementation plan to define the concrete steps that are needed to implement the mandate. The policy implementation plan was consulted inter-divisionally and eventually endorsed by the Deputy Executive Director, ad interim. Major activities under the implementation plan are as follows (non-exhaustive):

- (a) Alignment of the PSF pipeline with programming priority areas as identified in the strategy, including sectoral flagship areas and updated Strategic Plan targets;
- (b) Scale up GPIC and pilot regional GPICs for 2023;
- (c) Identify leading private sector experts for PSF to convene on challenges and opportunities for private sector programming (advisory/outreach);
- (d) Operationalize the PSAA;
- (e) Align the PSS with accreditation strategy;
- (f) Increase staffing and capacity of the Secretariat, including PSF, for ongoing implementation of the private sector strategy;
- (g) Promote use of Readiness and PPF in line with the private sector strategy; and
- (h) Promote private sector knowledge externally (i.e. with private sector AEs and non-AEs) through training, workshops and webinars to jointly foster project origination and explore collaboration opportunities in key flagship areas.

79. Based on the policy implementation plan, monitoring and reporting will be conducted on a regular basis by the Secretariat and will feed into the Report on the Activities of the Secretariat.

80. Table 1 below summarizes the status of the activities under the policy implementation plan.

Table 1: Status of activities under the policy implementation plan, including timeline (non-exhaustive)

Activity	Mandate	Status	Timeline
Pipeline alignment with PSS	Decision B.32/06	Work in progress	Continuous
GPIC 2022	Decision B.32/06 paras (e) and (i)	Completed	By Q3 2022
Scaled-up and regional GPIC	Decision B.32/06 paras (e) and (i)	Work in progress	By Q4 2023
Identify leading private sector experts for PSF to convene on challenges and opportunities for private sector programming	Decision B.32/06 para (j)	Work in progress	By Q2 2023
Operationalize the PSAA	Decision B.31/06 paras (g) and (h)	Work in progress	By Q2 2023

Activity	Mandate	Status	Timeline
Align PSS with accreditation strategy	Decision B.32/06 paras (c) and (e)	Work in progress	By Q1 2023
Enhance Secretariat capacity to deliver PSS	Decision B.32/06 paras (c), (d), and (g)	Work in progress	By Q2 2023
Promote use of Readiness and PPF in line with private sector strategy	Decision B.32/06 para (h)	Work in progress	Continuous
Promote private sector knowledge externally through training, workshops and webinars to jointly foster project origination and explore collaboration opportunities in key flagship areas	Decision B.32/06 para (i)	Work in progress	By Q3 2023

Annex VII: Report of the second Global Programming Conference of the Green Climate Fund

I. Introduction to the Global Programming Conference (GPC)

A. Opening session



The Green Climate Fund (GCF)'s Global Programming Conference (GPC) was held from 13-15 September, 2022, in Incheon, Republic of Korea. The GPC was the first in-person global event gathering GCF partners since the last global programming conference in 2019.

The conference was opened by H.E. Mark Brown, Prime Minister of Cook Islands, H.E. Fatmir Bytyqi, Deputy Prime Minister of the Republic of North Macedonia, Mr. Yoo Jeong-bok, Mayor, Incheon Metropolitan City, and Mr. Yannick Glemarec, Executive Director of the Green Climate Fund, who stressed the importance of partnerships in acting with urgency and bold climate action in response to science and natural disasters around the world. Please see below for the opening remarks of the Executive Director of GCF in Annex I of this report.

The three-day conference convened 425 participants including 44 Ministers and high-level dignitaries, GCF National Designated Authorities or Focal Points, Accredited Entities and Delivery Partners from over the world. The GPC provided a stage for GCF stakeholders to engage in plenary sessions, ministerial panels, and bilateral meetings, as well as a project marketplace that brought together project developers, countries, and GCF experts to match ideas with climate finance.

Aiming to promote dialogue between GCF and its partners and to mobilise partnerships to accelerate climate investment in developing countries, GPC's dialogues and sessions centred around three themes guiding each of the conference days: Partnerships for climate ambition: charting GCF's next chapter; Building blocks for effective and impactful climate investment; and Navigating access: how to make the most of GCF support.



The GPC provided a stage for GCF stakeholders to advance country programming for ambitious climate action, share lessons from implementation, disseminate knowledge of GCF operational tools and strengthen the GCF partnership network. It also provided a space for GCF stakeholders to provide feedback to inform GCF's strategy for the Fund's second replenishment and strategic programming priorities for the period 2024-2027, as well as feedback for the revised strategy of the Readiness and Preparatory Support Programme.

Importance of partnerships was a key takeaway. There was recognition of the need to take collective responsibility and leverage partnership strengths to shape ongoing and future work for climate action. In that regard, rich input was provided by GCF stakeholders to inform investment planning and current and future strategic programming priorities.

Access to climate finance was a major area, including its several dimensions, namely speed, simplicity, harmonization, volume, and direct access. Participants showed a strong willingness for GCF to programme more and at a faster speed. Besides funding volume, a need was noted for enhanced investments in adaptation, direct access, and private sector with greater impact, country ownership and alignment with country strategic priorities. Feedback was received on the revised strategy and operational improvements of the GCF's Readiness Programme grant cycle. The feedback would guide enhancements being made for a more efficient and effective Readiness, the world's largest capacity building programme for climate action.

Stakeholders expressed interest in having GCF regional presence as it would help ongoing efforts to enhance relationships between GCF and its partners and facilitate access to GCF resources.

Joint discussions were also held on programming developments recently adopted by the GCF Board that included the GCF adaptation approach, private sector strategy, updated Simplified Approval Process and Project Specific Accreditation Approach (PSAA). These developments were bringing GCF to organizational maturity with a clear identity and confidence in the unique value it brought as hub of the climate finance architecture.

As a continuous learning organization GPC was an opportunity to learn from the experience gained by GCF and its network of partners in project origination, development, and implementation that could inform GCF institutional journey, as the wealth of GCF experience resided with countries and partner organizations.

B. Ministerial meetings

Closed-door meetings gathered Ministers and high-level representatives from Latin American and the Caribbean; Asia-Pacific; Africa; Eastern Europe and Central Asia; Small Island Developing States; and Least Developed Countries. The meetings were facilitated by Ministers and provided an opportunity for the Executive Director and GCF Management to listen to all Ministers and high-level representatives as they expressed their views and the priorities from their countries, regions and groups, in relation to current and future programming priorities; readiness and capacity building needs; suggested improvements to GCF operations; GCF second replenishment period; and the importance of partnerships and collaboration.



C. Signing of partner agreements

The Conference offered a platform for the GCF Secretariat to sign key agreements with some of its partners. Three Direct Access Entities (DAEs) that were re-accredited by the GCF Board: The Agency for Agricultural Development of Morocco (ADA Morocco), the Environmental Investment Fund (EIF), and the Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE), were able to sign their amended and restated Accreditation Master Agreements (AMAs) with the GCF, thereby formalizing the renewal of their 5-year accreditation term.

GCF also signed the Funded Activity Agreement (FAA) with the African Development Bank (AfDB) for the Desert to Power G5 Sahel Facility, thus moving closer towards implementation of this critical USD 1 billion project that would leverage blended financing from the AfDB and the private sector for large-scale solar generation with over USD 150 million in approved GCF financing.

The Amended and Restated Framework Readiness and Preparatory Support Grant Agreement (FWA) between the Caribbean Community Climate Change Centre (CCCCC) and the Green Climate Fund, was signed by Dr. Colin Young, Executive Director of the CCCCC, and Ms. Carolina Fuentes, Director a.i., Division of Country Programming of GCF. The amended agreement would enable CCCCC to continue acting as a readiness delivery partner building on the extensive experience gained since the signing of the first agreement in 2017.



II. High-Level Day Partnerships for Climate Ambition: Charting GCF's Next Chapter (Day 1)



Day 1 was the high-level day of GPC dedicated to partnerships for climate ambition and charting the GCF next chapter. The sessions in Day 1 provided an overview of the climate crisis and of the window of opportunity to achieve the objectives of the UNFCCC and the Paris Agreement to avoid catastrophic climate change. The critical role of partnerships in catalyzing climate investments and the value that GCF brought as a convener and hub of the climate finance architecture permeated all sessions.

Day 1 also provided insights into the GCF institutional journey from its creation and early days of operations, and stressed the lessons learned from implementation that could further inform origination. As a continuous learning organization, GCF aimed to build on the experience and knowledge gained as it moves into the future. During Day 1, sessions for GCF stakeholders to provide feedback on the GCF-2 strategy and replenishment and on the revised readiness strategy were scheduled. Feedback from partners was underlined as key to guide current programming and the next chapter of GCF operations.

A. Opening session -Catalyzing climate finance: The role of partnerships in moving from NDCs to co-investments

The conference was opened by H.E. Mark Brown, Prime Minister of Cook Islands, H.E. Fatmir Bytyqi, Deputy Prime Minister of the Republic of North Macedonia, Mr. Yoo Jeong-bok, Mayor, Incheon Metropolitan City, and Mr. Yannick Glemarec, Executive Director of the Green Climate Fund, with Ms. Carolina Fuentes, Director of the Country Programming Division acting as master of ceremony.

During this session the speakers welcomed over 400 participants to the GPC, including ministers and high-level dignitaries, National Designated Authorities, Accredited Entities and Delivery Partners to the GPC. The speakers signalled the interconnected global issues that brought significant challenges to climate action, including rising fuel and food prices, growing public debt, increasing number of people living in extreme poverty, and recovery from the pandemic.

Against this backdrop, the importance of reaching net-zero emissions by 2050 to avoid unmanageable climate change and immediately scale up adaptation efforts to manage unavoidable climate impacts was stressed.

The GCF-2 replenishment was identified as critical for global climate action and ambition, building on GCF-1 programming track record combined with a compelling vision for the future. GCF's nature as a partnership institution, working for, through and with more than 2022 partners to deliver climate results was underlined.

The opening session set the stage for the three-day GPC programme.

B. The GCF journey in enabling climate ambition

This session reflected on GCF's journey since it was established, both from the perspective of the GCF Secretariat and its partners and included an overview of the evolving global context for climate change action and ambition. An evolution of the GCF portfolio was presented along with the mitigation and adaptation results achieved so far, as well as projected results based on the approved projects and programmes. Participants also considered the improvements in monitoring of the climate impact of GCF's activities and considered the lessons learned from recent independent evaluations. It was noted that the need for GCF to deliver climate results was becoming more critical as climate ambitions were ratcheted up and the latest science emphasized urgency.

The lessons learned from country experiences were also reviewed. These highlighted important achievements but also the need for operational improvements to speed up the delivery of concrete results on the ground for climate action. Opportunities to further strengthen complementary and coherence with other climate funds, and specifically with the Global Environment Facility, were underlined in light of GCF-2. It was noted that a strong second replenishment of GCF could boost the Fund's ability to engage in joint programming with other climate funds to improve efficiencies and maximize climate action in developing countries.

In the ensuing interactive exchange of opinions on the priority gaps in reaching climate ambition in light of GCF-2, participants specifically highlighted the importance of further strengthening support to adaptation activities, facilitating access in terms of speed, simplicity and scale, and improving operational efficiencies; support for capacity building and technology were also mentioned as priorities.



C. How to deliver a paradigm shift? GCF-2 strategy and replenishment

The session introduced strategic directions for the GCF's second replenishment and was structured to enable consultation with GPC participants, and in particular, NDAs and AEs, on the review and update of the GCF Strategic Plan. It was divided into four segments, each of which included a short presentation from the Secretariat followed by use of interactive media (Menti) to seek participants' views to inform the setting of an ambitious strategic vision, objectives, and priorities under an updated GCF strategic plan for GCF-2.

The first segment reviewed the GCF's evolution from the initial resource mobilization (IRM) to the present and invited participants to reflect on the following questions: "What has GCF done well/should it keep doing into GCF-2?" and "What GCF could do better?" Many participants identified the readiness programme, capacity building and direct access as strong suits of the GCF; and the need to enhance and simplify access as a key area for improvement. When asked specifically about the most significant steps the Fund could take to improve access, participants identified less complex/ better harmonized policies as the first priority followed by improved guidance and technical assistance for preparing GCF proposals.

The second segment highlighted changes in the global climate investment context, including the latest climate science and developing country needs, and explored how GCF could help drive paradigm shift through supporting countries in pursuing more systemic rather than incremental approaches to investment planning. Participants identified a range of key needs along the NDC/NAP/LTS implementation planning spectrum where GCF support would be highly beneficial.

In particular, this included building capacity/expertise/tools to use climate assessments in decision-making, supported by investment planning and matching financial sources, and by support for drafting concept notes and funding proposals.

The third segment focused on programming goals the Fund should pursue in GCF-2. It introduced a potential approach for setting different types of goals for GCF-2, including mid-term, results-oriented programming goals; allocation targets; and operational goals. During the interactive part of the sessions, participants indicated their priority areas for programming in the coming 5-10 years, with a strong focus emerging on the food/agriculture/water/energy nexus; ecosystems and nature-based solutions; forests and deforestation-free value chains; resilient infrastructure; and net zero carbon energy transition. When asked what types of goals the GCF should set moving forward, many highlighted the need to focus on adaptation, direct access and speeding up access. Multiple participants also highlighted the need for loss and damage support.

The final segment included an overview of GCF's comparative advantages and its positioning in the climate finance landscape. Participants considered "adaptation/ mitigation balance and focus on vulnerable" and "country ownership & direct access" as the two most valued attributed of the GCF. Finally, participants were asked how the GCF could improve how it worked with other climate funds and with public and private actors. Many participants highlighted the importance of harmonizing and aligning processes between actors, as well as the need to share knowledge and results.



D. System transitions: Programming for transformational change

This high-level session focused on how GCF and its partners could respond to the IPCC's call for systems transitions to stay within the 1.5°C guardrail and effectively adapt to climate change. This included opportunities to promote paradigm-shifting pathways that identified investment and co-investment opportunities to address key pressure points to enable the transitions in energy, land, coastal and freshwater ecosystems; urban, rural and infrastructure; and industry, society and the financial systems in developing countries.

The session highlighted the importance of addressing concurring challenges and identifying enabling factors and investment opportunities, which could support systems transitions and paradigm-shifting pathways that would contribute to bridging the climate investment gap. The panel discussion covered geographical and country-specific factors, which contributed to the achievement of systems transitions, while considering global developments and pressure points that affected investment and co-investment opportunities for climate resilient and low emission development pathways;

The high-level session included the following panelists: Mrs. Katerine Aliño (Vice president of Central Bank, Cuba); Mr. Matthew Samuda (Minister without Portfolio, Ministry of Economic Growth and Job Creation, Jamaica); Mr. Beksultan Ibraimov (Deputy Minister, Ministry of Natural Resources, Ecology and Technical Supervision of Kyrgyz Republic); and Ms. Renée González (Executive Director, Mexican Fund for Nature Conservation -FMCN Mexico, one of GCF's Direct Access Entities).

The representative from Cuba presented the main opportunities and challenges related to the development of the green banking system in Cuba, which aimed to integrate financial support for the protection, conservation and sustainable use of natural resources, biodiversity and the environment in general into the national banking system.

The Jamaican Minister presented the work being undertaken with the support of GCF Readiness resources with regards to a systemic resilience assessment tool that allowed the integration of climate risk analytics into decision-making and planning for key infrastructure sectors in Jamaica, while promoting nature-based solutions, where possible, to reduce the impacts of climate change.

The vice-minister from Kyrgyzstan presented the opportunities related to the updated NDC, as it set out a vision for transition to low-carbon and climate resilient development with the consideration of socio-economic and other environmental problems that the country was facing. The country's updated NDC noted that there was a need to consolidate fragmented climate change policies and ensure consistency with numerous strategies, plans and funding opportunities currently available in the country. GCF could play a role in bridging these gaps for system transition.

The Mexican DAE representative explained the most innovative climate solutions that were being introduced in Mesoamerica to tackle the dual challenges of biodiversity loss and climate change impacts.

With regard to opportunities for GCF to further support SIDS in developing and implementing their Blue Economy policies and strategies, the Minister of Jamaica highlighted the importance of investing in a sustainable ocean economy, stating that “Ocean health is ocean wealth”.

Furthermore, he emphasized that the blue economy allowed countries to explore new fields, including marine biotechnology, offshore renewable energy, carbon capture, and sustainable tourism. He also stressed that GCF should: (i) support the development of institutional frameworks and establishment of blue economic potential of SIDS and support partnerships on the blue economy, (ii) develop more innovative financial solutions and tools to assist community-based organizations and private sector entities, and (iii) focus on blue investments since they created jobs and overall support to blue energy generation.

E. How can Readiness resources address the needs of countries to advance climate investments? Part 1

The aim of the plenary session was to introduce the ongoing considerations in the revision of the GCF Readiness strategy which would guide the next stage of the largest, global climate-action, capacity-building programme.

Participants heard from country representatives from Argentina, the Central African Republic and Nepal. They all mentioned the crucial role of readiness in their countries and the need to streamline the process and increase funding, given that the needs in their countries were enormous.

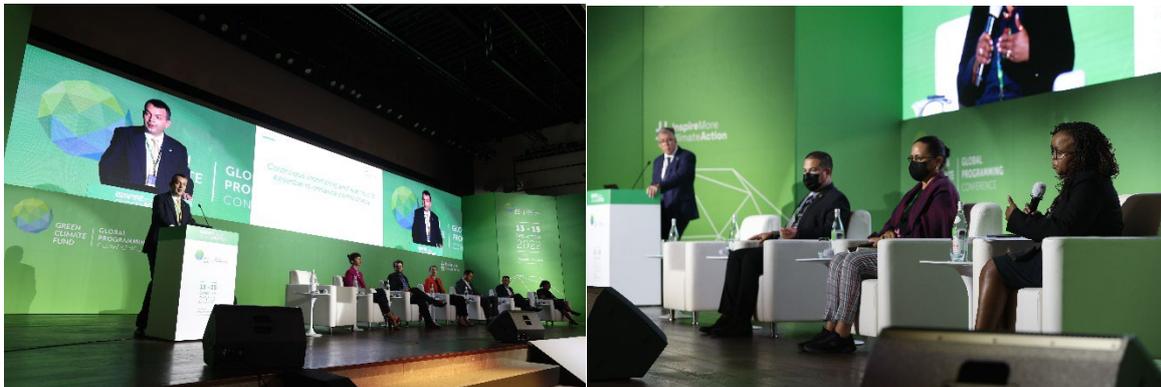
F. How can Readiness resources address the needs of countries to advance climate investments? Part 2

The second session was designed as a structured discussion divided into three languages groups: Spanish, English and French. The issues raised in the different sessions broadly converged and revolved around the following main topics:

- (1) Emphasis was given to the role of readiness in creating capacities for something bigger; readiness was not an end in itself and there was a need to ensure continuity in the outcomes and capacities created through readiness activities;
- (2) The need to simplify the review of readiness proposals and to reduce the overall review timeframe. It was necessary to move faster towards multi-annual readiness grants, to have simpler and less bureaucratic procedures and to allow partners to plan longer-term;
- (3) Besides revisiting the annual cap per country and its periodicity, the volume i.e., USD 1 million per year per country, was not considered sufficient to meet the needs of countries. Also, countries did not understand why the funds dedicated to a country did not accumulate over the years;

- (4) A dedicated window for Direct Access Entities (DAEs) to build their capacity for accreditation (in particular on ESS) and to prepare stronger funding proposals was also suggested. However, it was also made clear that readiness was not a pre-requisite of projects;
- (5) Offer more opportunities for the NDAs to deepen cooperation with the private sector. A dedicated window for the private sector would avoid competition for readiness resources between the public sector and the private sector and would support unlocking funds from the private sector in the medium and long-term. Among others, the timing of readiness might be a barrier: it was difficult for the private sector to work at the same current speed of the Readiness programme;
- (6) In general, climate justification was a weak issue in project proposals due to the lack of understanding of the rationale behind it but also the lack of climate science available to countries. Readiness was identified as a tool that could be used in this respect, in particular for adaptation projects. Countries mentioned the need for the adaptation readiness window to be used in this regard. Countries wished to know the next phase of this window now that many had already used the entire cap; and
- (7) Local context: It was important to work with delivery partners located in the country or the region that were not only geographically close but also understood the context of the country. It was also important to recognize that a one-size-fits-all approach worked; readiness was a flexible programme but could be improved in this regard.

III. Building Blocks for Effective and Impactful Climate Investment (Day 2)



Day 2 was dedicated to the building blocks for efficient and effective climate investment and most of the discussions revolved around the transition from Nationally Determined Contributions and Low-Emission Climate-Resilient Strategies to investment planning.

Participants noted the opportunity for the GCF to orient its programming approach and make it compatible with the Paris Agreement cycles for Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs). As a mechanism serving the Paris Agreement, GCF should support and be aligned with these cycles.

To contribute to the achievement of the Paris Agreement, it would be necessary to identify, and implement paradigm-shifting mitigation and adaptation projects and mobilize unprecedented amounts of capital, most of which needed to come from the private sector.

Countries had prioritized areas of impact as part of their NDCs and NAPs which constituted a strong basis for translating countries' climate commitments into investment actions. This also set the scene for policy transformation needed for a transition to a low-carbon resilient economy and societies.

Participants considered what role GCF should take in supporting NDC/NAP/LTS implementation and investment planning. They suggested that GCF should support countries in building an evidence-based approach to identify investment options for their NDCs. This meant that investment planning should be based on emission scenarios, climate risk and vulnerability assessments as they related to the priorities stated in NDCs. From this basis, a range of priority options could be identified by applying cost efficiency, cost-benefit, equity and other criteria. Readiness and Project Preparation Facility (PPF) resources could support countries in developing or strengthening their capacities and expertise to use climate assessments in decision-making.

As a next step, GCF could also provide support by reorienting its country programming tools towards the investment planning. This would involve supporting the costing and the funding needs of priority interventions; identifying the range of financial options by source such as private sector, public sector, financial instruments, bonds, sovereign debt etc.; the sequencing of the investments; and, very importantly, identifying the barriers that needed to be addressed for finance to flow. GCF should align its country programmes to the NDCs and NDC cycle and focus on investment planning that would benefit the country as a whole and which would inform the portfolio of interventions to be financed by GCF and other investors. Readiness resources could support investment planning work.

There was a call for the Secretariat to strengthen the coherence and fluidity across programming and project development tools, investment plans, readiness, concept notes and PPF. They should be connected so that the outputs of one process triggered the other; this would allow the project cycle to advance much more quickly.

Considering the scale of financial requirements to address the climate challenge, GCF should work with AEs who could play a catalytic role in mobilizing further financing, from other financiers and from co-investment platforms in critical transition areas and in leveraging private sector financing.

A series of sectoral sessions were held covering ecosystems, energy, water, agriculture, forests, climate information and transportation during which innovation, scalability and sustainability were highlighted as key dimensions of achieving a paradigm shift in each of the sectors. The importance of good design, financial structuring and the private sector focus featured in all of them. Some of the topics raised included policy reform, GCF's de-risking role in catalyzing private sector investment and the use of innovative financial instruments.

A. Integrated resilience planning

The session aimed to address the key role of integrated resilience planning for sectors including transportation, telecommunications, water, and energy where strong interdependencies may cause a 'domino effect' of failures across systems. Such failures were leading to the loss of billions of dollars in repairs and the loss of life and security for millions of people around the world. The speakers during the session were H. E. Mr. Matthew Samuda, Minister of Economic Growth and

Job Creation; H. E. Ms. Diann Black-Layne, Director of Department of Environment, Ministry of Health and Development, Antigua and Barbuda; and Ms. Lilian Macharia, Director, Division of Portfolio Management, Green Climate Fund. The session was moderated by Mr. Kevin Horsburgh, Climate Science Lead, Office of the Executive Director, Green Climate Fund.

The moderator underlined how the growth of multiple climate-related hazards and increase in extreme weather experienced globally, threatened people, infrastructure and the economy. He further elaborated on disruptions of services in low and middle-income countries costing around USD 400- 650 billion on households and businesses which strained national budgets and reduced the attractiveness of these sectors to private investment.

The representative from Jamaica highlighted that the multiple climate hazards experienced in Jamaica were increasing in intensity and frequency and that the South Coast, which had most of the population, was more susceptible to storms and hurricanes. Loss and damage due to climate change impacts accounted for 1.3 per cent of GDP. He underlined the Jamaica Systemic Risk Assessment Tool (J-SRAT) that was developed by the University of Oxford, was launched in May 2022 under a multi-partnership as a critical tool to integrate climate risk analytics into decision-making and planning.

The representative from Antigua and Barbuda reiterated that there was an increase in the intensity and frequency of hurricanes and droughts in Antigua and Barbuda (A&B). She highlighted that the Caribbean was among the most vulnerable regions, experiencing enormous loss and damage due to climate change impacts and the cost of capital in A&B could be twice as much as other larger countries. She outlined recommendations for GCF programming in 2022 and beyond, including interventions to support access to low-cost capital for homes owners and integrate climate change into sports infrastructure and facilities.

The GCF Secretariat representative highlighted that adaptation needs were highest in developing countries and the infrastructure sector came second highest (after the agriculture sector) at 22.6 per cent in terms of adaptation finance needs. She also emphasized the need to address political and regulatory barriers as well as microeconomic and technical barriers to the flow of funding for adaptation. She commended the 'Jamaica Pilot' where GCF was developing a methodology to translate climate hazard-risk information into viable infrastructure project concepts as a systematic approach that would strengthen the resilience of infrastructure.

The key takeaways from the session included:

- (a) The cost of doing business was higher in the SIDS, specifically in Jamaica and in A&B, due to climate change impacts. The cost of capital was higher than in bigger countries, insurance was escalating, and the effect of climate finance was thus reduced;
- (b) There were net benefits of investing in climate-resilient infrastructure. The benefits from investment in adaptation and resilience were typically considered in terms of avoided losses and cost-benefit ratios. For example, the Global Commission on Adaptation (2019) estimated that the overall rate of return on investments in improved resilience was very high, with benefit-cost ratios ranging from 2:1 to 10:1, and in some cases, even higher; and

- (c) GCF could support countries in bridging the growing investment gap for building new and resilient infrastructure and in considering the use of green and grey infrastructure to address climate hazards. Working with the Government of Jamaica under the auspices of the Coalition for Climate Resilient Investment (CCRI), GCF was developing a methodology to translate climate hazard-risk information into viable infrastructure project concepts (incorporating NbS/ hybrid) to strengthen the resilience of infrastructure. GCF's approach was aimed at de-risking infrastructure investments and making it more attractive for the private sector to invest in climate-resilient infrastructure. The approach would be scalable and replicable.

B. Investment planning for NDC implementation

The session presented opportunities seen to strengthen the collaboration between countries, accredited entities and GCF to accelerate NDC/NAP/LTS implementation. GCF's Secretariat elaborated on opportunities related to assessing evidence-based intervention options and to preparing investment plans – including, inter alia: prioritization and structuring of cohesive, sequenced investments; financial engineering approaches; and consideration of barriers and comparative advantages of GCF and other financiers.

There was consensus among invited panelists and participants on the fundamental role that NDAs performed, given the strength of their mandate to establish effective and coherent cross-sectoral frameworks for climate investment planning. It was clear from comments that the development of project/programme pipelines could be strengthened with GCF's engagement (e.g., through the provision of technical assistance) at the request of NDAs. Additionally, the engagement of AEs with the NDAs and GCF during project formulation was highlighted as pivotal in order to maximize the potential to achieve transformational effects.

The GCF's Secretariat underlined its readiness and capacity (e.g., on climate rationale and on financial engineering) to support countries to expedite NDC/NAP/LTS implementation and invited further collaboration.

C. Pipeline development: Innovation, scalability, and sustainability –
Paradigm shift



Ecosystems and ecosystem services

The session presented paradigm-shifting case studies from GCF partners, followed by an audience-led discussion. Each case study focused on one of the four key drivers of paradigm shifting pathways in the Ecosystems and ecosystem services result area.

The Gambia project with UNEP as accredited entity Large-scale Ecosystem-based Adaptation in The Gambia: developing a climate-resilient, natural resource-based economy was discussed to highlight the Transformational planning and programming. The project contributes towards Gambia's commitment to restoration targets and towards the UN Decade of Restoration.

To illustrate the "Catalysing climate innovation" driver, regional Direct Access Entity The Pacific Community (SPC) presented as case study - People-centred approaches for climate change adaptation solutions: innovation and ecosystems-based approaches.

The GCF Great Green Wall Regional Support Program with IFAD as accredited entity was presented to support discussion on the "Building coalitions and knowledge to scale-up success" This GCF funded Regional Support Programme will facilitate the coordination, coherence, and knowledge sharing of GCF's transformational projects in the Sahel.

Energy efficiency, access & power generation

The session on energy efficiency, access and power generation included several presentations and a panel discussion followed by an audience-led discussion. It included presentations from the GCF Secretariat (the Division of Mitigation and Adaptation (DMA) and the Division of the Private Sector Facility (PSF)) and three presentations from partners (Acumen, Camco and MASEN).

The GCF presentation focused on the different pathways for renewable energy and energy efficiency, different financial instruments and examples of innovative approved proposals, along with current challenges facing the energy sector, namely energy security, financing costs, risk appetite, and capital costs.

The presentations from the partners covered diverse areas and aspects, including but not limited to the following:

- (1) Energy access as an enabler/tool for energy transition;
- (2) Role of blended finance and power of equity instruments - as a capital mobilizer, and as a catalyst for supporting early-stage companies and ideas;
- (3) Need to look at energy access from a resilience perspective;
- (4) Challenges of implementing projects in frontier markets, the role of patient capital which was flexible and establishing strong partnerships, and the need to embrace risks and uncertainties;
- (5) A few successful case studies on energy generation/access in LDCs; and
- (6) The role that green hydrogen could play in energy transition.

During the session, panelists highlighted the critical need for GCF capital in blended finance structures, in order to scale-up investments in the energy access and transition.

Water Security

During the session, participants considered the GCF water sector guide that set out GCF's investment strategy in water security. They also discussed the transformational pathways for a paradigm shift in water security to secure water resilience and water services through innovation, scalability and sustainability under conditions of increased climate change impacts. In addition, the role of GCF to support the initiative of water asset transition by treating water as a "new asset class" was explored. Through three presentations and five panelists and interactive discussions, the session concluded with several messages as follows:

- (1) Given the increasing demand for this scarce resource, the global water sector seemed to offer investment opportunities. The water sector was both subject to climate impacts but also where solutions could be found and which would support a systemic approach to other results areas, such as food, energy and ecosystems. Treating water as a new asset class for water reuse and sanitation was an innovative approach that supported the GCF's goal for water security: "GCF promotes a paradigm shift in water security that is low-carbon, resilient to climate change, and meets the goals of the UNFCCC and Paris Agreement" (GCF water security sectoral guide). Supporting a new asset class in sanitation and water re-use also increased the focus on adaptation;
- (2) The new asset class was "an asset for adaptation and/or mitigation that is developed and funded using credit enhancement to crowd in private sector funding targeted towards developing debt capital market and acceptable financial returns but remain in line with ESG impacts and help to meet the targets set in the Paris Agreement and contribute to the United Nations' Sustainable Development Goals (SDGs)s (Goal 6 –clean water and sanitation; Goal 3 – Affordable and clean Energy; Goal 13 climate action; Goal 14 – sustainable oceans and Goal 17– Partnerships with the involvement of the private sector) and providing water for domestic, municipal, and industrial purposes and allows municipalities to scale their water reuse and sanitation projects in partnership with private sector and/or governments purchase a service instead of an asset" (GCF water security sectoral guide);
- (3) Increasing the resilience of the water sector to climate change required a paradigm shift in how water assets were defined, developed, and financed. The systemic change was only possible through: (i) increasing focus on adaptation and treating water sanitation and reuse infrastructure as a new asset class; (ii) aligning new financial solutions with the Paris Agreement targets and SDGs which was essential for recognition of wastewater and sanitation facilities as an asset class for private investment in developing countries; (iii) building the capacities of project owners in structuring bankable and affordable projects; (iv) provision of innovative financing solutions, including the use of credit enhancement and blended finance mechanisms that lowered the cost of borrowing and improve investment grade levels; and (v) creating partnerships and strengthening investor relationship among governments, financial institutions and wider stakeholders to improve investor's understanding and confidence; and
- (4) The role of GCF was to de-risk investments and mobilize the private sector, improve water security and community resilience while helping reduce GHG emissions and support the

carbon market through promoting the treatment of water as a new asset class for wastewater and sanitation services by: i) supporting countries to develop and adopt policies and legislation to create an enabling investment environment to identify, design, and implement public and private funded transformational water security interventions as a new asset class; ii) finance the transition and de-risk private investment in addressing financial market barriers and ensuring affordability and bankability to unlock water reuse and desalination investment, and iii) supporting new financial models accompanied by acceptable revenue in line with Paris Agreement targets and the SDGs.

Agriculture and food security

The session addressed how GCF investments were underpinned by country needs to adapt their agri-food systems to climate change, while responding to the increasing demand for quality food and reducing the sector's environmental footprint. The key programming directions for agriculture and food security – as included in the respective sectoral guide – were presented, along with global processes and commitments (e.g., UN Food Systems Summit, COP 26 Global Methane Pledge and End Deforestation Pledge). In addition, the programming directions for the sector in GCF-2 – i) low carbon climate resilient livestock; ii) methane reduction in rice farming systems; iii) reducing food loss and waste; and iv) transitioning to sustainable and balanced diets – were introduced.

Subsequently, three case studies of GCF investments in the sector were presented by DAE and IAE representatives: an overview of the Namibia's Environmental Investment Fund (EIF) agriculture projects, the Micronesia Conservation Trust (MCT) climate resilient food security project, and the Acumen Resilient Agriculture Fund (ARAF), the first climate adaptation-focused agriculture investment fund for small-scale farmers, active in Ghana, Kenya, Nigeria, and Uganda. These examples and the subsequent discussion highlighted several lessons learned that could guide further investments in the sector for the remainder of GCF-1 and for GCF-2.

These included: i) the need to strengthen national capacities to plan for climate resilient agricultural investment and to improve delivery mechanisms for climate smart agriculture technologies to ensure sustainable adoption by small scale farmers; ii) transitioning from a project to a programmatic approach in agriculture that could allow delivery at scale and reduce transaction costs; iii) supporting and enhancing direct access, in particular in addressing the cost of implementation of agricultural projects at a micro scale; iv) promoting blended finance projects, especially to de-risk private capital to re-orient to climate resilient agriculture businesses; and v) ensuring that sufficient grant resources were channeled into technical assistance to accompany investment windows for agri-businesses.

Low-emission and resilient transport

The session included several presentations along with a panel discussion followed by an audience-led discussion. Presentations were given by the GCF Secretariat's Division of Mitigation and Adaptation (DMA) and the Division of the Private Sector Facility (PSF) as well as by GCF partners (UNEP and CAF) describing case studies.

The presentation from the GCF Secretariat provided an overview of:

- (1) The GCF portfolio on low emission and resilient transport;
- (2) How to achieve a paradigm shift in low emission transport;
- (3) The transport sector guide and priority areas;
- (4) Areas of innovation, scalability and sustainability as key dimensions of achieving a paradigm shift; and
- (5) A case study on a project by Macquarie Alternative Assets Management Limited (MAAML) FP186: India E-mobility Financing Program. Salient features of the project were highlighted, namely strategic national context, financing/investment barriers, programme design components, market segments and programme structure.

The case studies presented by GCF partners were as follows:

- (1) UNEP's Low and Zero Carbon Mobility Programmes highlighting key trends, regulatory regimes for used vehicles, the global trade in used vehicles and the way forward.
- (2) CAF's E-Motion programme: E-Mobility and Low Carbon Transportation in Latin American Countries which was aiming to accelerate electromobility in LAC countries. The main topics were:
 - (i) Why electromobility adoption was relevant in the LAC;
 - (ii) The main barriers identified in LAC could be addressed by providing access to funds;
 - (iii) Long-term sustainability could be achieved by innovation in business models; and
 - (iv) How the theory of change was integrated in the E-Motion programme.

During the session, panelists also highlighted that the transport sector had a significant and measurable impact on climate change accounting for nearly a quarter of all energy-related CO₂ emissions. Radical paradigm shift or transformation was needed for the transport sector to stay within the 1.5-2°C goal by 2050. It was also emphasized that if current investments did not shift from low occupancy, fossil fuel-based systems to high occupancy, renewable powered systems, it would lock in a fossil-fuel, high emission future.

Forest and land use

The session focused on an analysis of the GCF's portfolio and a discussion on emerging topics, including blue carbon and the role of the private sector.

In order to maximize one of forests' greatest comparative advantages – the ability to deliver on mitigation, adaptation and co-benefits simultaneously – the Secretariat highlighted several priority themes for the remainder of GCF-1 and GCF-2. These included combating forest fires, promoting deforestation-free value chains, conservation, indigenous peoples and blue carbon.

In particular, blue carbon presented a wide range of opportunities, notably in attracting investors in light of the high prices blue carbon credits could fetch on fast-expanding voluntary markets. GCF could not only de-risk investment but also focus on technical assistance to overcome barriers faced by private sector investors.

Private partners should not necessarily be restricted to investors. In the Amazon, the Peruvian Trust Fund for National Parks and Protected Areas had partnered with small businesses, with support from GCF, to help them design and implement business plans to reduce emissions and enhance their resilience while ensuring livelihoods for thousands of workers and their families.

Climate Information and Early Warning Systems (CIEWS)

The session discussed the transformational pathways for establishing fit-for-purpose CIEWS projects based on the draft GCF CIEWS sector guide and highlighted best practices, lessons and legacies from approved GCF projects that could inform future programming. The key elements of the GCF sector guide for CIEWS were presented including the three paradigm shifting pathways, namely (i) Climate Information Services including modernization of hydromet services and regional hydromet programmes, (ii) Impact-Based Multi-Hazard Early Warning Systems and Early Action, and (iii) CIEWS for infrastructure design and resilience financing. Emphasis was placed on the key role GCF played in supporting developing countries to establish and operate fit-for-purpose hydromet services required to achieve this paradigm shift.

The session was chaired by the Honorable Mr. Demetrio do Amaral de Carvalho, State Secretary for Environment, Timor-Leste. The session consisted of two core presentations: The GCF CIEWS sector guide and CIEWS Project Fast-Tracking through SAP. This was then followed by a panel discussion on GCF CIEWS approved projects that discussed lessons, best practices and opportunities for future programming. The panel members consisted of Accredited Entities that had approved CIEWS GCF projects, namely, UNDP, Landbank, AfDB, and UNEP. The participants highlighted the need for programmatic approaches to CIEWS, the importance of strengthening of meteorological agencies to deliver on their mandate to provide climate information, and also that the monitoring and evaluation of CIEWS was key to developing better products and adaptive management.

The presentation on fast tracking CIEWS projects through the SAP modality was intended to enhance quality at entry and reduce the time and effort for the preparation and review of SAP proposals. The SAP team also indicated that the Secretariat would develop a set of SAP funding proposal guidelines and templates in the GCF impact areas in high demand, particularly CIEWS.

D. Facilitating stakeholder engagement

Private Sector engagement

The session discussed the private sector strategy that set out GCF's investment focus and the support that it would provide to enhance engagement with the local private sector in developing countries. The discussion expanded on how the strategy would affect GCF's funding modalities going forward, including Readiness, project preparation facility (PPF) and funding proposals.

Through two presentations and interactive discussions with the two panelists, the session concluded a number of messages, including the following:

- (1) The role of GCF was not only to de-risk investment and mobilize the private sector in its investments, but also to create a conducive investment environment where the barriers facing private sector were minimized. The GCF modalities that were critical in helping to create this environment were the PPF and Readiness; and
- (2) While the focus on adaptation and resilience were challenging to achieve in the private sector, this was necessary in order to reach the most vulnerable people facing climate change. GCF was appreciated as a partner as it had a clear focus on adaptation impacts and outcomes on the ground.

Direct access entities

The session discussed key project development and implementation challenges being faced by DAEs and explored solutions to address the challenges. The key identified challenges included:

- (1) Deficiency in internal capacity for project development;
- (2) Language barriers when translating national policies and legal documents into English;
- (3) Lack of clarity around GCF processes and required documents for project development due to frequent changes at the GCF;
- (4) Mapping climate impact; risk (probability of occurrence of uncertain impacts), options for mitigation/adaptation;
- (5) Environmental and social safeguards and gender-related issues; and
- (6) Data gaps.

The following suggestions were made to address the identified challenges:

- (1) Provide more guidance to DAEs to help keep them up-to-date with updated programming tools and policies;
- (2) Develop a sustainable network, through Community of Practice of Direct Access (CPDAE) for experience and sharing of best practices among DAEs;
- (3) Enhance and develop in-house capacities of DAEs in project development and implementation;
- (4) Strengthen DAEs' engagement with NDAs to boost country ownership of climate change adaptation and mitigation;
- (5) Provide support to DAEs in their efforts to address country's climate priorities and achieve the long-term goals framed under the Nationally Determined Contributions (NDCs); and
- (6) Provide flexibility and a simplified approach for DAEs in the project review process and ensure that reviewers had a good understanding of country's specific context.

IV. Navigating Access: How To Make The Most Of GCF Support (Day 3)



Day 3 of the 2022 edition of the Global Programming Conference aimed to draw together the various themes of the preceding days. After exploring leveraging partnerships for more ambitious climate action and discussing building blocks for effective and impactful climate investment, it focused on how partners could make the most of the support GCF was able to provide them. Participants discussed GCF funding windows as well as available appraisal guidance and the GCF Programming Manual.

The role of GCF as a partnership organization was illustrated by robust discussions around accreditation and partnership modalities to tap into funding from GCF. Lessons from implementation of Readiness grants and from implementation of projects (funded activities) were shared, creating learning loops to inform the design of more impactful Readiness proposals and projects.

Day 3 also hosted a Marketplace, a networking event during which countries presented projects ideas to accredited entities, as they sought match-making for further development and submission of their prioritized projects to GCF.

A. GCF support for proposal development

During the session, the GCF Secretariat initiated discussions on how countries could make the most of GCF support. It was divided into three parts: 1) funding windows; 2) appraisal guidance including tools; and 3) interactive discussion on the GCF Programming Manual.

The funding windows covered in the session included Readiness, the DAE New Funding Window, and Project Preparation Facility (PPF). The representatives from the Divisions of Country Programming (DCP), Portfolio Management (DPM), Mitigation and Adaptation (DMA) and the Office of the Executive Director (OED) provided a brief snapshot of the available funding windows in support of proposal development. Further participatory discussions on the GCF funding windows were conducted during the question-and-answer session.

The second segment introduced the recently published GCF Appraisal Guidance and tools made available by the GCF to facilitate the delivery of proposals in alignment with GCF's mandate, policies and investment framework. During this session, participants revisited a wide range of GCF tools for project development: Concept Note (CN) checklist, Innovation and Additionality

Tool (IAT), Investment Criteria Scorecard (ICS), Grant Equivalent (GE) calculator, Simplified Approval Process (SAP) toolkit, and Economic and Financial Analysis (EFA) guidance.

The session culminated with interactive and participatory discussions on the GCF Programming Manual with panelists from the Pacific Community (SPC), Development Bank of Southern Africa (DBSA), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and Division of Mitigation and Adaptation. The session was enriched by the meaningful interventions from the panelists providing insights and lessons learned from the usage of the GCF Programming manual. They shared their suggestions and highlighted areas for further improvement of the Programming Manual, including applying it more consistently and making it more user-friendly.

B. Accreditation and partnership modalities to leverage GCF financing

This session was designed to introduce participants to the various partnership modalities with the GCF, including accreditation. The moderator Ms. Stephanie Kwan provided an overview of the different ways to engage with the GCF, including institutional accreditation, as executing entity, readiness delivery partner or co-financier, and the project-specific assessment approach.

The National Designated Authority (NDA) panelists Dr. Osmond Martinez, CEO in the Ministry of Finance, Economic Development and Investment of Belize, and Mr. Petrus Muteyauli, Deputy Director in the Ministry of Environment, Forestry and Tourism of Namibia, made interventions sharing their countries' experiences and approach in identifying the partners best fitted for GCF investments, nominating for accreditation candidates that were able to help reach national climate objectives.

Direct Access Entity representatives Ms. Nayari Diaz-Perez, Executive Director of the Protected Areas Conservation Trust of Belize, Mr. Benedict Libanda, CEO of the Environmental Investment Fund of Namibia and Mr. Enkh-Erdene Erdenekhuyag, Project Development Officer in XacBank LLC (Mongolia) talked about their collaboration with their respective NDAs, as well as with other entities. They also made remarks with regards to their roles as delivery partners, and GCF resources available to DAE candidates.

Ms. Ilona Porsché, Head of GCF Business Development Unit at GIZ shared the entity's experience working with GCF as AE, EE, delivery partner, and the willingness of GIZ, as an EE, to undertake various roles including executing DAE projects where possible.

Finally, the attendees were given the opportunity to put questions to the panelists regarding the nomination and accreditation processes and partnering with the GCF.

C. Learnings from Readiness implementation

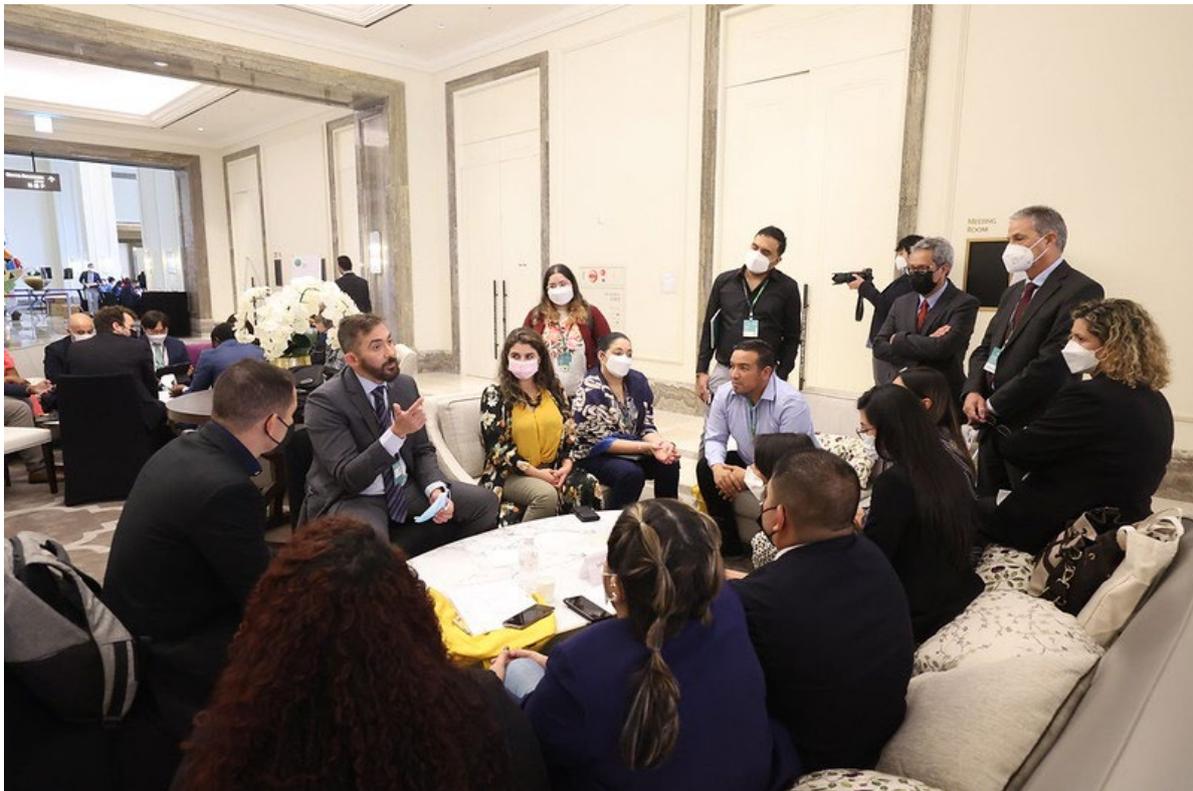
The session was designed to offer an opportunity for the audience to learn from and engage with a panel composed of NDAs, DPs, and GCF Secretariat staff working on Readiness portfolio management. The panelists discussed, inter alia, GCF RPSP funding and technical support as a critical opportunity for countries to build capacities and develop a strong pipeline of concepts note and projects, as well as challenges, good practices, and lessons learned. Key questions directed to the panelists and the audience were:

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- (a) What are the most important outcomes achieved with the Readiness Programme at the national or the regional level?
 - (b) To what extent are the learning and knowledge acquired during the implementation of the Readiness supported grants (NAP and Non-NAP) relevant to other countries and partners?
 - (c) What are the key recommendations that would help strengthen Readiness implementation, performance, and knowledge? How can the GCF better support countries?

The NDAs panelists were from Mongolia and Georgia whilst delivery partners (DPs) were GIZ and GGGI who shared their experiences in implementing readiness grants. The NDAs were able to share how the RPSP had allowed their respective countries to strengthen the NDAs capacity to address the impact of climate change and the mitigation and adaptation strategies instituted. For example, the RPSP had helped NDAs, especially Mongolia, to prioritize climate adaptation and mitigation strategies in their countries' policymaking. On the other hand, the two NDAs recalled the challenges faced in the early stages of implementing the RPSP. They indicated that the countries with direct access support had a challenge utilizing the country's yearly cap and advocated for clear guidance on which allocations a country could access.

The DPs responded to a critical question about when a country was ready with the RPSP. The response was that a country was prepared when it was willing to team up with other countries to share its knowledge, experiences, and best practices, as well as willing to learn from peers in innovating climate change mitigation and adaptation solutions. In addition, such countries showed a willingness to exchange and collaborate with NDAs, DAEs, DPs, and GCF, while calling for the relevant stakeholders to step up for multicounty initiatives. Furthermore, the DPs advised countries to use the RPSP as a ladder to access and leverage extensive climate change mitigation and adaptation funds.

The session ended with the panelists and the audience commending the GCF for its timely response in addressing the impact of the COVID-19 pandemic on countries. They urged GCF to help build the capacities of DAEs through its RPSP portfolios while increasing the opportunities to collaborate with relevant stakeholders to share knowledge and best practices to foster performance. Finally, the panelists encouraged countries to consider multiple-year Readiness programmes and to fully leverage the benefits that the GCF could offer through the RPSP.



D. Funded Activities: Lessons from implementation, adaptive management, and evaluation

The session focused on issues and challenges commonly encountered during implementation, the adaptive management solutions, as well as key lessons from the implementation of the GCF portfolio of projects and programmes, including the role of the Independent Units of GCF. Seven panellists from the GCF Secretariat, AEs and GCF's Independent Units (IUs), gave short presentations highlighting successful approaches for funded activities in achieving the expected delivery of results.

Two panellists from Caribbean Community Climate Change Centre (CCCCC) (DAE) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (IAE) shared their perspectives on project implementation challenges experienced in their portfolios and how they were addressed as part of adaptive management. The AE representatives highlighted the impact of the COVID-19 pandemic on their project operations arising from operational and procurement challenges, as supply chain disruption and inflation, as well as restrictions on mobility heavily affected and delayed implementation. The two panellists from the GCF Secretariat elaborated on the critical success factors in adaptive management processes related to submitting and processing change requests in a timely fashion. The discussion also focused on how Secretariat-led and AE-led evaluations could inform and support implementation. Moreover, the three representatives from the GCF's IUs shared lessons and advice on project implementation from the IUs' standpoint, including guidance on avoiding complaints during the implementation process, addressing integrity red flags, and key-takeaways from evaluations on barriers to the implementation of GCF projects.

An interactive discussion amongst the panellists in connection with insightful questions from the audience rounded up the session, highlighting the importance of adaptive management and implementation practices for the achievement of results.

V. Side-Events

Several side events were organized, including some by GCF partners, taking advantage of the opportunity offered by the convening of a large number of NDAs/national focal points, Direct Access Entities and Delivery Partners to discuss developing countries' climate ambitions and challenges to realize their ambitions. These side events provided a venue for the said third parties and the Secretariat to share information with the audience on various topics, collect valuable feedback and guidance, and in some cases lay the basis for collaboration on related initiatives.



A. Wildlife Conservation Society- Debt swaps for climate, nature and people

The session on debt swaps for climate, nature, and people organized by the Wildlife Conservation Society (WCS), in collaboration with the International Institute for Environment and Development (IIED), discussed how sovereign debt could become a potential financing instrument for nature, climate change, and people as well supporting governments in meeting their commitments to 30x30 (protecting 30 per cent of Earth's land and water by 2030 under the Post-2020 Global Biodiversity Framework). The panelists included: Mr. Sandy Andelman, Vice-President, Conservation Strategy and Partnerships WCS, Mr. Paul Steele, Chief Economist, IIED,

Mr. Abdul Malik Aman, Head at National Treasury of Kenya, Dr. Osmond Martinez, CEO, Ministry of Finance, Economic Development and Investment Belize, Dr. Marcos de Carvalho Chamon, Deputy Division Chief, Debt Policy Division IMF, Ms. Maria del Pilar Restrepo, Climate Finance Leader, National Planning Department, Colombia. Mr. German Velasquez, Director of the Division of Mitigation and Adaptation (DMA) closed the session.

The panel examined the practical challenges and opportunities for scaling up debt exchanges to help transform cross-sectoral policy decisions and financing for governments, through budgetary approaches or through programmes.

The session started with WCS highlighting the importance of reaching 30x30 by presenting relevant scientific research on the impact of climate change by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) and the Intergovernmental Panel on Climate Change (IPCC). More than 100 countries globally support the 30x30 target, showcasing strong political will.

The IIED then introduced how debt swaps worked and their potential benefits including expanded fiscal policy space, increased investment in nature and climate, reduced debt stocks, increased growth, and reduced poverty through pro-poor investments. To reach large-scale debt swaps, it was crucial to move away from project support to programmes utilizing budget support for the governments managed as performance-based payments linked to NDCs. Examples of large-scale debt swaps included Norway's REDD-plus.

The representative of Kenya supported the commitment to 30x30 and stressed the importance of including climate change policies in the medium and long term, but also admitted that it competed with other governmental policy priorities.

The representative of Belize showcased the positive impact of debt swaps on Belize, which included a 45 per cent discount on all commercial debts and the establishment of a conservation fund. However, he admitted that it required strong political commitment, financial discipline, and the right debt instruments.

The representative from Colombia agreed and outlined an endowment fund focused on debt swaps, which was aligned with national policies.

The representative from IMF presented the theoretical framework of debt swaps and explained that the choice of financial instruments needed to consider the individual fiscal situation of countries. Climate conditional grants could work better in countries with insufficient fiscal space. Replicating the success of debt swap programmes in Belize could reduce debt stocks and improve the fiscal situation while also protecting nature.

B. Project Preparation and simplified approvals

The session explored the prevalent technical, financial and sectoral challenges faced by countries and accredited entities when developing public and private sector proposals for climate financing.

Following a presentation on the status of the Project Preparation Facility (PPF) since it was introduced in 2015, as well as the challenges and gaps that the Secretariat was taking into consideration in shaping the direction of the PPF heading to GCF-2, panelists from the National Designated Authority of the Republic of Yemen, Acumen, DBSA and GIZ highlighted good practices and challenges in project preparation drawing on their experiences and reflected on the role GCF could play in helping to develop bankable projects. Inputs from the panelists and attendees would feed into the review of the funding and revision of the operating modalities for the PPF which would be presented to the Board for its consideration no later than B.36.

The panel discussion on the PPF was followed by a presentation of updates on the Simplified Approval Process (SAP), where the Secretariat presented the Update of the Simplified Approval Process as per decision B.32/05. The Secretariat presented the changes in the eligibility criteria for projects as well as the work undertaken by the Secretariat to simplify and speed up the review, approval and disbursement of SAP projects.

The session was closed by a lively Q&A during which participants posed questions regarding the Secretariat processes and the timeline for the changes. They expressed their eagerness for the SAP to reach its full potential in meeting developing country needs.

C. World Meteorological Readiness proposals: CREWS and the GCF SAP scaling up framework: Accelerating climate finance for climate information and early warning system investment

This session illustrated the ongoing work that, under the implementation of the updated Simplified Approval Process (SAP) policy, the GCF Secretariat and the Climate Risk and Early Warning Systems initiative (CREWS) were doing to accelerate and scale up climate finance for investments in climate information and EWS in developing countries, in particular in Africa, LDCs, and SIDS.

D. Designing strong readiness proposals: RRMF, theory of change and logical framework

The purpose of this session was to brief stakeholders on the newly adopted Readiness Results Management Framework (RRMF) and its implications for designing readiness proposals from 2023 onwards. The session was a continuation of the Secretariat's efforts to communicate the RRMF to GCF partners following the initial RRMF webinar held virtually on 6 July 2022. The session attracted a total of 25 external participants attending in person and 17 participants attending virtually, predominantly from GCF NDAs.

At the onset of the session, the GCF team presented the RRMF structure and initiated a discussion on how to speed up the operationalization of the RRMF. That was followed by group work where the participants focused on a case study to develop a readiness grant logical framework. In order to ensure inclusivity and support in the group work, the participants were divided into three groups by language - English, French, and Spanish. Each group was supported by a facilitator and note taker from the GCF Secretariat. At the end of the exercise, a rapporteur from each group presented their draft logical framework and received feedback and inputs from the Secretariat team.

In addition to the group exercise, the GCF took the opportunity to seek participants' views on potential challenges to the operationalization of the RRMF. The feedback was positive, especially in relation to the simplicity of the RRMF and the clear linkages between outcomes, outputs, and indicators. A number of participants would be approached to join a pilot test using the digital

version of the RRMF logical framework in the Project Performance Management System (PPMS) that was planned after the GPC.

E. UNIDO – Green Hydrogen (GH₂), the global game changer in the just energy transition for climate mitigation and adaptation

This session highlighted the breakthrough opportunity offered by Green Hydrogen (GH₂), particularly for the Global South, to leapfrog global decarbonisation and reduce local emissions while further broadening electrification infrastructures and bolstering climate-resilient economic growth. It informed participants about the many bottlenecks in the realisation of GH₂ projects and focused discussions on how financial mechanisms, such as outcome-based financing, could help pave the way for accelerating a GH₂ economy.

It is worthwhile noting that UNIDO is involved, as a delivery partner, in several GCF Readiness grants and proposals under development on the use of technology for climate action.

F. FAO- Partnership experience with Direct Access Entities

FAO shared its approach and experience to collaborating with Direct Access Entities in the formulation, development and implementation of GCF projects and programmes, as well as in the development and implementation of Readiness proposals and grants (including national adaptation planning proposals/grants).

In addition to building up the capacity of DAEs, facilitating country ownership and increasing needed local contents, FAO fulfils this way its legal obligation toward the GCF to support DAEs.

Discussions during this event broached mutual challenges faced in bringing to life partnership between FAO and DAEs as project promoters/developers and as executing entities.

G. CREWS – SAP Scaling Up framework.

The GCF SAP team and the Climate Risk and Early Warning System Initiative (CREWS) co-organized a session to inform participants on the ongoing partnerships aimed at accelerating access to GCF climate finance through SAP for projects in Climate Information and Early Warning Systems (CIEWS) previously financed by CREWS and evaluated as successful. This was aligned with the implementation of the updated Simplified Approval Process (SAP) policy (May 2022).

During the event, CREWS representatives presented the initiative and WMO staff presented case studies defining what success in scaling up CIEWS in CREWS projects should be about. The presentations were followed by a Q&A session with the participants.

In closing the session, the main points and follow-up actions were summarized as follows:

- (a) The CREWS and SAP partnership was expected to increase and accelerate the flow of climate finance for impactful adaptation actions, especially in SIDS and LDCs and to contribute to the United Nations Secretary General Early Warning System (UNSG EWS) for All initiative; and
- (b) CREWS would explore the possibility to feature this partnership at a high-level side event of COP 27 and CREWS and the SAP team aimed to pilot and operationalize the framework in 2023.

VI. Marketplace



The Marketplace was an opportunity for NDAs to present project ideas that did not yet have an AE identified. The Marketplace was divided into two sessions with two presentations happening simultaneously (2 different screens). Session 1 included presentations from Asia Pacific countries (Cambodia, Indonesia, Kiribati and Vanuatu), Caribbean countries (The Bahamas, Barbados, Jamaica) and African countries (Sudan, Zambia). Session 2 included presentations from LATAM (Brazil), EECA (Armenia, Georgia, Kyrgyzstan, Tajikistan, and Turkmenistan-Uzbekistan), and Asia (Iran, Nepal, Sri Lanka, Yemen).

Overall impressions:

- (1) A mix of international and direct access entities attended the presentations. These included: APEC, GIZ, KDB, KOICA, PKSF, SCA, WFP). More robust attendance from AEs could have facilitated greater match-making opportunities.
- (2) Despite limited AE representation, both NDA and AE participants engaged actively in the Q&A after each presentation. Participants found it useful to share project-specific experiences from their countries/regions and NDAs engaged in active discussions even after the session ended.
- (3) Project ideas were at a very early stage. Many ideas could be categorized as development projects and would need to strengthen their link to the climate change issues being faced in countries if they planned to access support from GCF or other climate finance donors.

VII. Bilateral Meetings



Institutional and informal bilaterals were held between GCF and its stakeholders (NDAs, DPs and AEs) from Tuesday, 13 September 2022 to Friday, 16 September 2022. On average, 30 minutes was dedicated for each meeting, and action points from each were documented in meeting notes for follow-ups by the respective divisions.

364 bilateral meetings were scheduled and below are the statistics on bilateral meetings:

- (a) 26 High-level bilaterals;
- (b) 220 Institutional bilaterals; and
- (c) 118 Informal bilaterals.

VIII. Conference conclusion

The Green Climate Fund (GCF)'s Global Programming Conference (GPC) wrapped up with key conclusions that would inform GCF's strategy around the Fund's upcoming second replenishment and strategic programming priorities for the period 2024-2027.

The three-day conference (15-17 September) convened Ministers and high-level dignitaries, GCF National Designated Authorities or Focal Points, Accredited Entities and Delivery Partners to Incheon, Republic of Korea, GCF's host country. Over 400 participants, including approximately 40 Ministers and high-level representatives, engaged in plenary sessions, ministerial panels, and bilateral meetings, as well as a project marketplace that brought together project developers, countries, and GCF experts to match ideas with climate finance.

Aiming to promote dialogue between GCF and its partners and to mobilise partnerships to accelerate climate investment in developing countries, GPC's dialogues and sessions centred around three themes: Partnerships for climate ambition: charting GCF's next chapter; Building blocks for effective and impactful climate investment; and Navigating access: how to make the most of GCF support.

Importance of partnerships was a key takeaway. There was recognition to take collective responsibility and leverage partnership strengths to shape ongoing and future work for climate action. In that regard, rich input was provided by GCF stakeholders to inform investment planning and strategic programming priorities for GCF's second replenishment period.

Access to climate finance was a major area, including its several dimensions, namely speed, simplicity, harmonization, volume, and direct access. Participants showed a strong desire for GCF to programme more and at a faster speed. Besides funding volume, there was a need for enhanced investments in adaptation, direct access, and private sector with greater impact, country ownership and alignment with country strategic priorities. Feedback was received on the revised strategy and operational improvements of the of GCF's Readiness Programme grant cycle. The feedback will guide enhancements being made for a more efficient and effective Readiness, the world's largest capacity building programme for climate action.

Underscoring partnerships and access was a need for a GCF regional presence. Stakeholders expressed interest in having a GCF regional presence as it would help ongoing efforts to enhance relationships between GCF and its partners and facilitate access to GCF resources.

Joint discussions were also held on programming developments recently adopted by the GCF Board that included a new adaptation approach, private sector strategy, updated Simplified Approval Process and Project Specific Accreditation Approach (PSAA). These developments were bringing GCF to organizational maturity with a clear identity and confidence in the unique value it brought as hub of the climate finance architecture.

The conference reaffirmed GCF's partnership-oriented approach, which brought together the public and private sectors to increase financial flows for low-emission, climate-resilient development. As GCF entered its second replenishment, it would leverage its role as a partner convener to catalyse financing through new and innovative finance mechanisms that would not increase the burden of unsustainable debt, an issue for most developing countries.

Annex VIII: ED Opening Remarks for Global Programming Conference – 13 September 2022

Your Excellencies, distinguished guests, ladies, and gentlemen,

Please allow me to welcome you to this 2022 GCF Global Programming Conference. I would like also to offer a warm welcome to those joining us online and to express my deepest thanks to Mayor **Yoo Jeong-bok** for hosting this event in Incheon, Korea, the home of GCF.

This is the first in-person Global Programming Conference for three years. The world has changed significantly since our last GPC in 2019. Rising fuel and food prices, growing public debt, high inflation rates, increasing number of people living in extreme poverty, recovery from the pandemic and the changing structure of international politics all bring significant challenges to climate action.

While we must recognize these challenges, we must also recognize the window of opportunity to meet the goals of the Paris Agreement and avoid catastrophic climate change is rapidly closing. Since our last GPC, the IPCC sixth assessment cycle has delivered its working group reports confirming with very high confidence that *'Global warming, reaching 1.5°C in the near-term, would cause unavoidable increases in multiple climate hazards and present multiple risks to ecosystems and humans'*.

As we have heard from **Prime Minister Brown** and **Deputy Prime Minister Bytyqi**, there is no time for delay. We must act now to secure a livable future for people and the planet. There are enormous tasks ahead of us – we must reach net-zero emissions by 2050 to avoid unmanageable climate change and immediately scale up adaptation efforts to manage unavoidable climate impacts. This will require integrated approaches that leverage climate action to promote inclusive and sustainable development.

The outcomes of this Global Programming Conference will inform our ongoing programming work and will educate the updated GCF 2024-2027 Strategic Plan and GCF-2 replenishment. GCF is now entering its second replenishment, which will culminate with a pledging conference in Autumn 2023. The GCF-2 replenishment is critical for global climate action and ambition. And this conference can play a key role in setting out the needs and expectations of developing countries for GCF's next funding period – and for setting the tone for an ambitious replenishment to provide the resources required.

I hope to hear from many of you over the coming days about your hopes and expectations for the GCF-2 period, and how we can work more effectively with you to deliver your climate ambitions. For a successful GCF-2 replenishment that builds on GCF-1, we must have a credible programming track record combined with a compelling vision for the future. Achieving a successful replenishment will also require strong political support from our partner countries throughout 2022 and 2023.

GCF is fundamentally a partnership institution, working for, through and with partners to deliver climate results. Today, 148 countries have designated a National Designated Authority/Focal Point and GCF has established a network of 113 Accredited Entities and over 200 delivery partners. Thanks to the commitment and hard of this partnership, **GCF has a solid track record**. During the current GCF-1 period, which runs from 2019 until 2023, GCF has made tremendous

progress in terms of organizational development, strategy, programming, portfolio implementation, and risk and result management.

In terms of programming, let's go quickly through a few key numbers. GCF has committed \$ 10.8 billion of its resources (USD 40.2 billion with co-financing) to 200 projects. We have a maturing portfolio with 81% of projects under implementation. We supported 141 developing countries in building readiness to implement climate finance through grants totaling USD 423.5 million.

The remaining Board meetings of GCF-1 should consolidate this dynamic. I am pleased to confirm that the GCF and its partners are to deliver a large pipeline of Funding Proposals for B34 with an important number of them covering DAEs, adaptation, and private sector. ITAP is currently reviewing 17 funding proposals with a GCF commitment of close to \$1.6B. We intend to fully use our commitment authority for the 34th GCF Board meeting next October and schedule for submission to our 35th Board meeting next March any Funding Proposal that cannot be accommodated within our commitment authority for B.34.

Today, GCF is also reaching organizational maturity with a clear identity and confidence in the unique value we can bring. At the heart of our organizational development work is increasing the ability of developing countries to access climate finance. There are several dimensions to access, namely speed, simplicity, harmonization, volume, and direct access; and I would like to set out how GCF has been taking steps to enhance each of these five dimensions.

Speed is the first dimension.

If GCF is replenished every 4 years, funds pledged by financial contributors are usually transferred to the Fund in annual instalments. GCF is determined to avoid sitting on idle funds, and we aim to programme these resources as soon as transferred. At COP 26, we were able to confirm that GCF had committed all its available resources at that point in time to priority climate projects, and we anticipate being able to do the same at COP27. Today, GCF can programme its funds as soon as available thanks to significant strides made in increasing the speed of project appraisal, approval, implementation, and disbursement. For example, the time taken from first review of funding proposals to first disbursement has fallen considerably, from 26-28 months in 2018, down to 12-17 months for projects approved last year. Today, we are one of the fastest financial institutions for full scale projects (over \$ 25 million).

Simplicity is also critical.

We are continuing to take steps to simplify our procedures for securing climate finance. This year our Board has approved new measures to further streamline our Simplified Approval Process or SAP. This is a significant reform which will further simplify the documentation required for proposals and develop an expedited review process for SAP projects. The level of GCF funding for SAP projects/programmes will also increase from USD 10 million to up to USD 25 million. In parallel, we have also initiated a major re-engineering of our business processes to accelerate the approval and implementation of small-scale readiness grants (usually less than \$ 1 million), by better tailoring proposal review and second level due diligence to project risks.

Another breakthrough in terms of simplification and streamlining of processes was the adoption by the GCF Board earlier this year of a new Project Specific Assessment Approach. This will allow organisations to bring climate project proposals directly to GCF for rapid consideration, rather than having to undertake accreditation as a prior and separate step. This initiative will be formally launched in 2023, coupled with a capacity development initiative that will target the

development of locally led projects in partnership with GCF National Designated Authorities in LDCs, SIDS and African States.

GCF has also streamlined and codified all its project development, appraisal, and implementation procedures. GCF programming and appraisal manuals can be downloaded from our website, together with our project development and appraisal tools. These manuals and tools aim to empower our project development partners, standardize the appraisal process, and avoid delays associated with unnecessary back-and-forth during the project development cycle.

Harmonization is the third dimension of access I would like to highlight.

These GCF simplification measures are important, and I look forward to hearing your ideas about how we can further simplify our procedures. However, they cannot solve this problem alone. In seeking climate finance, developing countries must address multiple channels of finance of which GCF is only one. Developing countries, particularly SIDS and LDCs, might have to engage with several dozens of multilateral, bilateral, and non-governmental climate financiers, each with different requirements and application procedures. Harmonization is therefore key to achieving greater simplicity in access to climate finance. Here, GCF is ideally positioned, to take the lead. With over 200 delivery partners, our role is increasingly to act as a hub of climate finance and create coalitions for transformative change.

We aim to leverage this role of climate hub to unify processes with multilateral institutions, delivery partners and bilateral financing partners. I would highlight in particular our work on complementarity and coherence with other climate funds, for example our Long-term Vision approach with the Global Environment Facility, and our ongoing partnership initiatives with the Adaptation Fund and Climate Investment Funds.

Volume is the next critical dimension of access.

After B.34 and by the time of COP27 we should have over USD 45 billion in assets under management, including almost \$ 12 billion of GCF resources in co-financing. However, it should be recognized that GCF, whilst the largest dedicated climate fund, only accounts for around 2-3% of global climate finance flows under the UNFCCC; 0.5% of total climate finance flows; and less than 0.1% of total climate finance investment requirements. It is therefore critical for us to use our resources in a catalytic manner to mobilise much larger sums of climate finance from both public and private sectors.

We have adopted a four-pronged approach to unlock climate innovation and investment and enable developing countries to access climate finance at scale. They are: (i) enhancing the capacity of countries to establish an enabling environment for climate action; (ii) enabling innovators in developing countries to ground truth new climate solutions; (iii) de-risking through blended finance early investments in new climate solutions; and (iv) greening the financial sector to accelerate the widespread adoption of proven climate solutions.

We also recognize that a project-by-project approach is unlikely to reach scale fast enough to avert catastrophic climate change. With its partners, GCF is working on several co-investment platforms to accelerate climate innovation and investment. Here again, we will aim to leverage our capacity to convene and share knowledge as a hub of the climate finance architecture to create coalitions for transformative change.

This includes a “Green and Sustainable Debt Platform” to increase developing countries’ access to domestic, regional, and international capital markets and several regional blue economy co-investment platforms, which will federate different sources of public and private finance for some of the most climate vulnerable countries in the world, without increasing their debt burden. We

look forward to discussing some of the initiatives during our regional and thematic sessions in the coming three days.

Finally, and most importantly, support for enhancing **direct access** is key to access climate finance as it leverages local expertise and strengthen country ownership. I am pleased to report that we are on-track to achieve the objective of our Updated Strategic Plan 2020-2023 of increasing the portfolio share managed by direct access entities, which has risen from 13% during the IRM period (2015-2019) to 17% in **cumulative terms** to date thanks to a significant increase in direct access during the first three years of GCF-1. Our Board is currently considering an accreditation strategy, which would allow a greater prioritization of the accreditation of direct access entities.

Your Excellences, together we are already delivering, and we can do much more in future, with more resources. This conference will provide important feedback on our future priorities and can help us to set a vision for an ambitious GCF-2 replenishment. Once again, thank you for joining us and for your participation and insights in this global programming conference.
