

GCF sustainability strategy

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GREEN
CLIMATE
FUND

I. Objectives

1. The Green Climate Fund (GCF), an operating entity of the Financial Mechanism of the United Nations Framework Convention on Climate Change, commits to contribute to the United Nations Sustainable Development Goals. GCF will work towards climate neutrality by applying approaches set out in the UN Climate Neutral Strategy,¹ including its recent Strategy for Sustainability Management in the UN System 2020–2030.²
2. This document outlines a sustainability strategy for GCF, including the basic steps that need to be taken. It also presents an action agenda that seeks to decrease the GCF's own greenhouse gas (GHG) emissions and negative environmental impacts.

II. Background

3. GCF plays a crucial role in serving the Paris Agreement by supporting the goal of keeping the average global temperature rise well below 2 degrees Celsius. GCF aims to achieve this by helping developing countries reduce their GHG emissions from carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆). GCF also aims to enhance their ability to respond to climate change.
4. In January 2020 GCF announced the creation of the GCF Sustainability Initiative (GSI), a voluntary staff initiative aiming to reinforce and strengthen internal sustainability efforts at GCF Headquarters among the Secretariat and independent units.
5. GSI is led by a group of passionate GCF staff, consultants and interns who perform their roles for GSI on a voluntary basis and in addition to their official duties and responsibilities.
6. A Corporate Sustainability Officer was selected to lead, on a voluntary basis, GSI programmes and projects alongside other GSI volunteers under the leadership of the Deputy Executive Director.
7. GSI is expected to provide visionary leadership and coordinate with senior management and staff members to develop and maintain an effective corporate sustainability strategy.
8. In 2020 GCF joined the Greening the Blue initiative.³ As an organization guided by the principles and provisions of the United Nations Framework Convention on Climate Change, and with existing collaboration on programmes between GCF and the United Nations Environment Programme; GCF became a member of the Greening the Blue community and can align and benchmark its sustainability efforts with the United Nations System of Organizations.

III. Approach

9. The UN Climate Neutral Strategy states that the “climate neutrality” of an organization is defined by “the entire set of policies that an institution uses when it estimates its known

¹ Annex 2 of document EMG/AM.07/11. The 2007 UN Climate Neutral Strategy commits heads of United Nations entities to: estimate their GHG emissions; undertake efforts to reduce GHG emissions to the greatest extent possible; and analyse the cost implications and explore budgetary modalities of purchasing carbon offsets.

² The Strategy for Sustainability Management in the UN System 2020--2030, designed to raise the ambitions of the United Nations on sustainability and ensure greater system-wide coherence.

³ Greening the Blue is a campaign established by the United Nations Environment Programme to assist the United Nations System of Organizations in reaching their sustainability commitments. See <<http://www.greeningtheblue.org/what-the-un-is-doing>>.

greenhouse gas emissions, takes measures to reduce them, and purchases carbon offsets to 'neutralize' those emissions that remain."

10. The UN Climate Neutral Strategy proposes the following elements to achieve an outstanding approach:
 - (a) A commitment to reducing GHG emissions;
 - (b) The preparation of consistent, comparable and transparent inventory data, according to agreed methodologies, which subsequently undergo periodic independent verification;
 - (c) The development and implementation of a package of measures to reduce GHG emissions;
 - (d) A decision to offset the remaining emissions by purchasing carbon credits;
 - (e) Regular transparent reporting combined with the public communication of each organization's emissions inventory, together with any targets or goals for emission reductions; and
 - (f) The development and implementation of knowledge management system and practices to: document initiatives, data, lessons learned and best practices; post guidelines and methodologies; post model strategies and workplans; provide e-training courses; host Q&A sessions; provide technical assistance; and host discussions virtually where possible.
11. As a member of the Greening the Blue initiative, GCF intends to follow the aforementioned elements recommended by the United Nations in the development of the GCF sustainability strategy. GCF is exploring all options to offset its own emissions.
12. As of early 2020, GCF expects to contribute to reducing approximately 1.6 billion tonnes of CO₂ equivalent by financing climate mitigation projects and programmes.
13. GCF understands that its GHG reduction efforts must be additional to its projects and programmes. GCF will therefore strive to reduce, or sequester, its internal emissions through activities other than the projects we finance.
14. This approach should still be in line with the United Nations' strategy which recognizes that there are fundamental differences in the structure, financing and nature of the operations of each member of the Greening the Blue initiative. It also noted that any common approach should leave enough flexibility to consider the specific circumstances of the individual organizations and entities.
15. GSI will implement organizational processes and develop sustainable organizational policies and practices. Furthermore, GSI will identify education, training, and other development opportunities for sustainability to raise awareness of sustainability issues within GCF and set sustainability targets.
16. GCF will also encourage reducing individual carbon footprints through, for example, the promotion of sustainable transport for commuting; low-carbon lifestyle choices; hyperlocal and community-based initiatives and resource sharing; and sustainable eating.

IV. Environmental Management System

17. The sustainability strategy will be a part of the GCF Environmental Management System. The GCF EMS will be in line with the requirements of ISO 14001, but it will not seek their certification. GCF environmental impacts will be addressed through a set of sustainability

programmes and manuals. For example, GCF will develop a separate manual on sustainable procurement and will update its travel policy to be more climate friendly.

18. GCF will develop mandatory systemwide training on the environment at the workplace for GCF staff and provide job-specific environmental training (e.g. for facilities managers, procurement officers, programme managers).

19. The GCF Information and Communications Technology Team will systematically integrate environmental considerations.

V. Inventories and calculation of GCF emissions

Methodology

20. GCF will calculate its GHG emissions (scope 1,⁴ scope 2⁵ and scope 3⁶) based on proven methodologies, such as the GHG Protocol of the World Resources Institute and World Business Council for Sustainable Development. GCF will preserve a broad compatibility of data to allow meaningful aggregation of data across the United Nations system. This will retain compatibility with internationally recognized standards. To ensure the highest standards, GCF intends to have its inventory reviewed and verified by an independent external party, such as the Greening the Blue initiative, consistent with internationally recognized standards.

Setting the boundary and coverage

21. GCF will agree on basic principles regarding its boundary,⁷ but it intends to retain the flexibility to update and revise its boundary, provided that these decisions are transparently made with appropriate justification.

22. At this point, the inventory exercise should be limited to the operations of the GCF headquarters and not cover projects implemented by external entities. GCF aims to cover large emission sources first, such as air travel, and to refine and improve the inventory and boundary over time.

23. When determining the boundary, GCF will include emissions from its own operations that can be influenced by management-level decisions and home country travel funded by GCF and will exclude emissions associated with decisions for which individual staff members are responsible and that relate to their personal sphere. While these emissions should not be included in its boundary, GCF will promote individual actions, such as sustainable transport (including encouraging staff to offset their personal trips) and sustainable eating. At the same time, building on the enthusiasm and commitment of many GCF staff, managerial decisions should promote and encourage staff involvement on sustainability issues - both in the office and elsewhere.

Air travel

24. The GCF's largest source of GHG emissions is official travel. At a minimum, the inventory should include all official mission travel paid for by GCF, including the travel of staff members, consultants, experts and participants attending meetings.

⁴ Scope 1 emissions are direct emissions from owned or controlled sources.

⁵ Scope 2 emissions are indirect emissions from the generation of purchased energy.

⁶ Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. (e.g. business travel).

⁷ Setting limits to the calculation of its GHG emissions.

25. GCF will work with external parties such as travel agencies and event logistics providers to facilitate the collection of travel data.

26. GCF is planning to update its travel policy to reflect its efforts to reduce its climate footprint associated with air travel.

Official GCF events and Board meetings

27. GCF will be guided in the organization of its official events and Board meetings by the relevant guidelines, such as those on sustainable procurement and events management.

28. GCF will include in its inventory the travel emissions of all participants attending its official events and Board meetings whose travel has been paid for by GCF.

Offices and shared spaces

29. GCF does not own the office building where its Headquarters are located. Therefore, total electricity consumption that includes purchased electricity, stationary combustion, purchased steam and refrigerants can be estimated based on square meterage of office space, data available per floor, or other emissions-sharing criteria. GCF will also look at smaller emission sources, such as owned vehicles, water consumption and waste generation. In the case that GCF opens field offices in the future, the same principle will be applied.

A data collection system

30. GCF will build a standard data collection system to compile high-quality inventory.

31. GCF will continue working within the Greening the Blue system to explore systemwide data collection tools, such as the UN Environmental Inventory Software, in a cost-effective manner.

Reducing GHG emissions

32. GCF will first undertake an ambitious programme for reducing GHG emissions, and not merely achieve climate neutrality through the purchase of offsets. GCF will prepare a strategy and programme and set targets for emission reductions over time.

33. GCF will focus on reducing GHG emissions from air travel as it is the most significant contributor to the overall emissions of GCF. Reducing emissions can be achieved in several ways, including through behavioural changes, engineering solutions, and operational and policy changes. Moreover, a key strategic goal of GCF is to become a fully digital organization. Therefore, the GCF communications capability is being enhanced and will facilitate a reduced need for travel abroad by allowing for conference calls and virtual meetings.

34. The UN Climate Neutral Strategy notes, "Emissions from air travel can be influenced easily by management decisions, and efforts are needed to reduce the impacts from this category. The options include: increased use of video conferencing; restricting travel only to essential trips; considering distance traveled and stopovers and not merely cost factors when determining the routing of air tickets; favouring the use of more efficient aircrafts; increased use of the train, etc."

35. Further, the UN Climate Neutral Strategy suggests, "A focus on energy efficiency in buildings." Despite GCF not owning the building in which its headquarters are located, GCF will collaborate with the owner to explore a range of options for reducing energy usage as suggested by the UN Climate Neutral Strategy. Some low-cost options, such as energy efficient lighting, motion sensors and timers will be considered along with more costly retrofitting.

36. GHG emissions from building operations can be achieved through behavioural changes, encouraging individual sustainable actions and sustainable procurement.

Self-reporting, communication and outreach

37. GCF's sustainability strategy and reports will be available internally within the organization and in the public domain, with full transparency on the details of inventory coverage, targets for the evolution of this coverage over time and details of emission reduction policies. Consultations with non-governmental organizations and civil society organizations on the self-reporting mechanism can improve transparency, credibility and effectiveness.

Knowledge-sharing and support

38. As suggested by the UN Climate Neutral Strategy, knowledge management system and practices will be developed to:

- (a) Document initiatives by GCF;
- (b) Post relevant inventory and other data;
- (c) Post guidelines and methodologies;
- (d) Post model strategies and workplans;
- (e) Record and share lessons learned and best practices;
- (f) Make available e-training courses;
- (g) Host Q&A sessions and e-discussions; and
- (h) Provide technical assistance to organizations wishing to become climate neutral, such as GCF accredited entities and national designated authorities/focal points.

39. The knowledge management system and practices will be linked to the GCF web page on sustainability, and its content and work programme will be reviewed regularly by relevant technical working groups and management committees.

Review and updates to the strategy

40. The objectives and approaches of the GCF sustainability strategy will be continuously reviewed as the work develops, and it can be expanded or changed if a more practical approach to achieving sustainability is identified.