



---

## **Summary Briefing 27th Green Climate Fund Board Meeting 9-13 November 2020**

*Dear friends of the Climate Finance Advisory Service (CFAS),*

*This is the CFAS Summary Briefing. Produced at key meetings and negotiations by the CFAS expert team, the Summary Briefing tries to provide a concise, informative update on key discussions that have taken place at each meeting and give an overview of substantive points of action or progress. Please note that this is an independent summary by CFAS and not officially mandated by the GCF Board or Secretariat.*

*During the meetings, CFAS experts are available to provide advise to and answer specific questions for Board Members, Alternates and their advisers from developing countries. The CFAS team can be reached via [cfas@germanwatch.org](mailto:cfas@germanwatch.org).*

*Previous daily briefings and other CFAS analyses are available on the CFAS website [www.cfas.info](http://www.cfas.info).*

*The CFAS Team*

---

### **Summary from 9-13 November 2020**

From 9 to 13 November 2020, the Board of the Green Climate Fund (GCF) convened for its 27th meeting. Due to the ongoing challenges imposed by the global COVID-19 pandemic, the meeting was conducted once again in a virtual setting, focussing primarily on procedural and administrative matters, as well as the approval of sixteen funding proposals (requesting US\$ 1,011.7 million of GCF funding) and the accreditation of four new implementing entities. In addition, the Board also deliberated on the Updated Strategic Plan for the GCF for 2020-2023.

## **Opening of the meeting and adoption of the agenda**

The Co-Chairs, Ms. Sue Szabo (Canada) and Mr. Nauman Bashir Bhatti (Pakistan) opened the 27th GCF meeting, welcoming fellow Board members and introducing the agenda. Quickly, a discussion evolved around the status of the Updated Strategic Plan (USP), which as many Board members expressed, constitutes a key document to close policy gaps and an important deliverable of B.27. Although the document developed under the coordination of facilitating Board members had been sent to the Co-Chairs a few days before the Board meeting, it was not circulated to the entire Board. Several Board members expressed their frustration with the situation, noting the importance of urgent action, of the USP being a key guiding document, and reminding of the intense consultations that went into the document. Some Board members urged sharing the USP document and including an action item in the B.27 agenda, with a view of trying to approve the USP at this meeting.

The Co-Chair also laid out, as part of the item on decisions proposed between the twenty-sixth and twenty-seventh meetings of the Board, that three decisions were circulated and adopted: (a) on the members of the Ethics and Audit Committee; b) on the appointment of external auditors; and c) on the performance review and appointment of Information Appeals Panel members. The Co-Chair further noted that one decision received one objection from a Board member, namely on the accreditation of an observer organisation, and explained that Co-Chairs are working through the objections with the concerned Board member directly. The Board also approved the report from B.26 without further comments.

## **Report on the activities of the Secretariat**

The report on the activities of the Secretariat was presented by the GCF Executive Director, Mr. Yannick Glemarec. In addition to outlining some of the challenges that COVID-19 had posed to the Secretariat's work (including slowing down recruitment processes), the ED highlighted among others the following points:

- efficiency increases in processes for the approval cycle by 55%; the number of days from approval to disbursement improved by 22%; noting that the next step after disbursement - project expenditure which eventually means delivery to the beneficiaries - was the responsibility of the delivery partner;
- progress on the development of a procurement manual (to be ready by end of the year), and efficiency gains already achieved through the finance manual and the programming manual; and progress in working on a digital accreditation platform;
- concerns in relation to lack of progress on securing Privileges and Immunities (P&I), bearing significant legal and financial risks as project implementation is ongoing in many countries without P&Is; the Secretariat is exploring different potential routes to address P&I (including through the UN) which, however, pose fundamental legal challenges;
- the Secretariat accelerated the implementation of the active provisions of the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse and Sexual Harassment (SEAH Policy) related to covered individuals, while working on the policy revisions the Board mandated at B.25;

- strengthening of internal complaints and grievance mechanisms and trainings and 360° type reviews of senior managers to promote embodying the GCF's core work culture values;
- resource mobilisation: Austria has made an additional contribution of EUR 100 million (five times the contribution during the IRM period); also additional contribution of CHF 50,000 from Liechtenstein, bringing the total amount of GCF-1 to US\$ 9.998 billion; Secretariat is also working on finalizing contributions of US\$ 3 million from Qatar, and US\$ 1 million from the Brussels region; would bring GCF-1 contributions over symbolic US\$10 billion threshold.

Several Board members appreciated the efficiency gains in Secretariat procedures, the activities in light of the COVID-19 challenges, or progress in the implementation of workforce well-being and complaints mechanism procedures. In addition, Board members shared a number of observations and raised a number of questions. Regarding the way forward on Privileges and Immunities, the GCF General Counsel also explained that in discussions with the UN about potential P&I coverage through the UN, issues emerged for example in relation to who would be responsible for the election of an Executive Director, the fact that the appointment of independent units or pension systems would have to be in accordance with UN regulations, as well as overall barriers which may be “insurmountable”. Furthermore, Board members raised, amongst others, the need to rapidly consider the review of the Simplified Approval Process, and other policy matters which have not been tabled for B.27. Another Board member also raised the concern that too many projects put forward still rather reflect the priorities of accredited entities than those of the countries. The Board took note of the report.

### **Reports from Board committees, panels and groups**

The Co-chair outlined the scope of reports from Board committees, panels and groups prepared for B.27, comprising reports from the Accreditation Panel, the Accreditation Committee the Budget Committee, the Ethics and Audit Committee, the Investment Committee, the Independent Technical Advisory Panel (ITAP), the Performance Oversight Committee and the Risk Management Committee.

Board members took note of the reports. Some concerns were raised regarding the feedback from ITAP, which judged that funding proposals presented to the panel were of low quality and required multiple rounds of revisions. Other members stressed the need to review the mandate of ITAP, which in their view should not serve as a “gatekeeper” and withhold funding proposals from being presented to the Board for consideration. Questions were raised regarding the status of the Updated Accreditation Framework, which has not yet been presented to the Board for approval. Last but not least the issue of Board committees was brought up by Board members. One Board member suggested reviewing the role and modalities of Board committees, including the issue of chairmanship, while another member pointed out the difficulty of adopting decisions due to a lack of quorum in some Board committees.

## **Reports on the activities of the independent units**

### **Report from the Independent Redress Mechanism (IRM) and the Information Appeal Panel (IAP)**

The head of the IRM, Mr. Lalanath de Silva presented the report, covering the IRM's activities up to 30th September 2020. He reported that despite the global COVID-19 pandemic, the IEU was able to meet its commitments outlined in the IRMs 2020 work plan. It was reported that the IRM has received three formal complaints and a continuing self-initiated inquiry in 2020, while also processing, and subsequently closing, two pre-cases during the reporting period. As explained, a pre-case is a communication from an external party to the IRM that is registered in the Case Management System as a pre-case and may or may not mature into a complaint. With regard to outreach activities, capacity building, advisory and operating the IRM it was reported that the Guidelines for Board consideration of IRM reports were developed in consultation with the Ethics and Audit Committee and are ready for Board approval at this meeting. Outreach activities were undertaken virtually in light of the COVID-19 pandemic, inter alia, through events with civil society and communities in Brazil, Mongolia and sessions with civil society groups around the IAMnet roundtable held earlier this year. Capacity building was conducted through a virtual platform and the design of a training workshop for grievance and redress mechanisms for direct access entities. Three regional workshops of three weeks each have taken place for Latin America and the Caribbean in July; Africa in August/September; and Asia and the Pacific in October.

Last but not least, Mr. Lalanath de Silva presented the report of the Information Appeals Panel (IAP), which entertains and decides appeals filed under the Information Disclosure Policy of the GCF. The IAP received one appeal during the reporting period from an Alternate CSO Active Observer with regard to a request for an indicative list of funding proposals in the GCF pipeline. This indicative list would include, at minimum, the current funding proposal title, countries involved in the proposal, the accredited entity, and the anticipated Board meeting it would be proposed. Having assessed the issue, the IAP recommended that the information requested be disclosed without any further delay and communicated its decision to both the appellant and to the Executive Director. Contrary to the recommendation by the IAP, the Executive Director decided not to release the information.

### **Report of the Independent Evaluation Unit (IEU)**

A representative of the IEU, Mr. Andreas Reumann reported on the unit's activities up to November 2020, along the four pillars of the IEU: (i) Evaluations; (ii) Learning, advisory services, and capacity strengthening; (iii) Communications, uptake and partnership; and (iv) building and strengthening the IEU itself.

Regarding evaluations, the IEU submitted the rapid assessment of the Simplified Approval Process, an independent synthesis on the GCF accreditation function and an independent evaluation on effectiveness and relevance of GCF investments in Small Island Developing States. It also continued working on its Learning-Oriented Real-Time Impact Assessment programme (LORTA), aimed at embedding real-time impact evaluations into GCF funded projects. In light of the COVID-19 pandemic the IEU placed considerable emphasis on

virtual tools to engage with partners and stakeholders and participate in learning and capacity building activities.

### Report of the Independent Integrity Unit (IIU)

The head of the IIU, Mr. Ibrahim Pam presented the report, covering activities of the unit as of 30 September 2020 along the IEU's six priority areas: (i) Establishment of the administrative remedies and exclusions framework; (ii) Development of the Investigation Standards; (iii) Monitoring the implementation of integrity policies; (iv) Proactive integrity risk assessments and project/programme reviews; (v) Awareness raising; and (vi) Investigations. Inter alia, the IIU continued its engagement with the Secretariat in reviewing the draft Administrative Remedies and Exclusion Policy, which sets out the principles and general procedures to be followed by which the Fund determines, whether or not to apply remedies against parties alleged to have engaged in Prohibited Practices in connection with projects, programmes, and other activities funded by the GCF. Furthermore, the IIU completed additional rounds of consultations on the draft Investigation Standards with all GCF staff, relevant Divisions of the Secretariat, and Independent Units and continued the development of the Investigations Manual, which is intended to support the Investigation Standards and articulate the numerous operating procedures of the investigation function of the IIU. Last but not least, the IIU continued the procurement process for a robust and secure case management system (CMS) to support the investigation function of the Unit, with the aim to begin an implementation of the CMS by the end of 2020.

Board members welcomed the reports from the independent units. Regarding the case outlined in the report of the IAP, several Board members urged to apply the principle of openness and transparency and that sharing information should be the default. In their view, withholding information should only be the exception, which was also again reiterated by the CSO Active Observers in their intervention. Concerns were raised given the importance of the IRM and the low number of staff the unit is currently working with, relying partially on interns to implement the activities. Furthermore, one Board member cautioned against premature recommendations from the IEU related to the Project Specific Assessment Approach (PSAA), given that the PSAA's exact design is still under consideration. Last but not least, some members suggested enhancing coordination between the independent units.

### Report on the activities of the Co-Chairs

The Co-Chairs referred to the written report on the activities of the Co-Chairs from late August 2020 till October 2020 and refrained from presenting a summary of its contents for the sake of saving time. One Board member commented that the Co-Chairs currently fail to provide preparatory documents for the Board meetings well in advance (i.e. the rule is 21 days in advance) and that this has already been witnessed at previous meetings this year. As an example, the draft of the USP was mentioned, which had not been presented on the GCF website till the second day of B.27. It was underlined that the role of the Co-Chairs needed to be clarified in future and to be brought in line with the Rules of Procedure. The Co-Chair acknowledged the comment and concluded the item by stating that the report was noted by the Board members.

## **Status of GCF resources, pipeline and portfolio performance**

The Co-Chair invited the Secretariat to provide an update on the overall status of resources, pipeline and portfolio performance, including the annual portfolio performance report.

Concerning the status of resources, the Fund was able to mobilize almost USD 10 billion in pledged contributions for its first replenishment (GCF-1) as of November 2020. Of the resources under the IRM, USD 7.6 billion have been intended for projects and programmes, USD 0.5 billion have been dedicated to readiness support activities and USD 0.9 billion went into accredited entity (AE) fees, the administrative budget and a forex buffer. On the status of the overall portfolio, USD 6.2 billion have been committed to 143 projects and programmes in 106 countries (65% public sector, 35% private sector) till November 2020. The current pipeline includes 445 funding proposals and concept notes worth USD 22.1 billion for 134 countries (58% public sector, 42% private sector). The Secretariat highlighted that there has been an increase in private sector funding proposals, which can be interpreted as a sign for a successful private sector mobilization, that grant equivalent (53%) is dominantly used for adaptation projects, underlining the importance of this instrument for such projects, and that adaptation support for the most vulnerable countries currently exceeds the target (at 70% compared to a target of 50%). Regarding the involvement of AEs, international access entities still manage the greater share of the approved funding (direct access entities only 21% of the portfolio), but the Secretariat sees a positive trend over the past two years in direct access entity (DAE) proposals and, under the readiness support, 52 proposals currently target the accreditation of additional DAEs. On project implementation, the Secretariat noted a positive trend on the disbursement rate, however, concerns were voiced over the imbalance between disbursement (USD 0.5 billion in 2019, USD 1.35 billion in September 2020) and expenditure (USD 0.2 billion in 2019, amount for 2020 not yet available). Explanations identified for this situation include that many projects and programmes are still in the early stages of implementation, but also that the COVID-19 pandemic has caused significant setbacks in implementation. As a counter strategy, the Secretariat aims at coordinating more closely with AEs and through enhancing their portfolio monitoring. Nevertheless, the general outlook on resources and the portfolio was regarded as positive (e.g. continuous growth, progress in disbursements) and that ongoing efforts will support this (e.g. increased standardization in operations, capacity strengthening of the Secretariat).

Within the round of comments by the Board members, it was highlighted that the involvement of DAEs should be further increased and that the suggestions by the Secretariat on how to deal with the COVID-19 pandemic are encouraged. On the distribution of funding among results areas, some Board members underlined that they would like to see more engagement related to biodiversity, forestry and land-use (i.e. REDD+). Another matter raised was the fact that at least 13 projects approved in the early stages of GCF maturity do not yet have gender action plans, which the Secretariat should engage upon. In addition, some comments addressed the way in which information was presented in the portfolio performance report, including demands to showcase information on the engagement of international AEs with DAEs or a breakdown of the GCF's activities in Sub-Saharan Africa. The statement from an active observer also underlined, among other remarks, that the role of DAEs should be further strengthened, that lessons learned should be applied before approving more REDD+ projects and that the Secretariat should look into the shortcomings related to gender action plans.

## **Ninth report of the GCF to the Conference of the Parties**

Despite the next Conference of the Parties (COP) being shifted to end of 2021, the GCF Board undertook a debate on the report to be prepared by the GCF regarding its progress on the guidance received from at the latest international climate change conference in Madrid (COP25). There was consensus among the Board members that the report in its current stage was regarded as incomplete (e.g. low level of detail on ongoing developments and delays in their delivery). The Co-chair emphasized that it was a challenging year for the Board, considering the COVID-19 impacts on physical meetings as well as related to the work on policy documents (i.e. 42 policy documents up for consultation in 2020: 14 have been approved by the Board so far, 13 documents with consultations not yet concluded, the rest being worked on by the Secretariat). This agenda item was concluded with a request to the Secretariat to further update and review the report to the COP and to present it again for consideration.

## **Consideration of funding proposals**

The Board considered sixteen funding proposals, requesting a total of US\$ 1,011.7 million of GCF funding, and representing a total value of US\$ 2,081.7 million. Of the sixteen funding proposals considered, 10 were public sector proposals, including three considered under the Simplified Approval Process (SAP), whereas six were private sector proposals. With the approval of these sixteen funding proposals, the total number of projects and programmes funded by the GCF would reach 159, with a total GCF funding amount of US\$ 7.2 billion and a total value of US\$ 23.2 billion when including co-financing.

Board members welcomed the general introduction by the Secretariat and thanked both the Secretariat and ITAP for the work conducted. Several Board members were pleased with the diversity and innovative character of the funding proposals, including the diversification of financial instruments and the participation of the private sector. However, several areas of concern were noted. First, the low share of funding directed to the low-emissions transport sector, both in the current funding proposals and the portfolio as a whole. The low share of adaptation funding, as well as funding directed towards Sub-Saharan Africa was also pointed at as a concern. Other important concerns expressed by Board members included the low share of funding channelled through DAEs, despite the fact that the SAP was conceived as a means to promote DAE participation; and the low leverage ratio of the GCF financing, as compared to other multilateral organisations. Additionally, one Board member noted the heterogeneity of the proposals in terms of their quality, with some exhibiting high quality, while many did not have a high paradigm shift potential.

Overall, the Board members considered that these concerns reflected the need for the Secretariat to manage the project pipeline more actively; as well as the need for an updated Results Management Framework (RMF) and the development of a policy for programmatic approaches.

The Board decided to approve all sixteen funding proposals:

- **SAP017:** *“Climate proofing food production investments in Imbo and Moso basins in the Republic of Burundi”*, International Fund for Agricultural Development (IFAD); Burundi; US\$ 9.9
- **SAP018:** *“Enhancing Climate Information Systems for Resilient Development in Liberia (Liberia CIS)”*, African Development Bank (AfDB); Liberia; US\$ 10.0
- **SAP019:** *“Gums for Adaptation and Mitigation in Sudan (GAMS): Enhancing adaptive capacity of local communities and restoring carbon sink potential of the Gum Arabic belt, expanding Africa’s Great Green Wall”*, Food and Agriculture Organization of the United Nations (FAO); Sudan; US\$ 9.9
- **FP141:** *“Improving Adaptive Capacity and Risk Management of Rural communities in Mongolia”*, United Nations Development Programme (UNDP); Mongolia; US\$ 23.1
- **FP142:** *“Argentina REDD+ Results-Based Payments for results period 2014-2016”*, Food and Agriculture Organization of the United Nations (FAO); Argentina; US\$ 82.0
- **FP143:** *“Planting Climate Resilience in Rural Communities of the Northeast (PCRP)”*, International Fund for Agricultural Development (IFAD); Brazil; US\$99.5
- **FP144:** *“Costa Rica REDD+ Results-Based Payments for 2014 and 2015”*, United Nations Development Programme (UNDP); Costa Rica; US\$ 54.2
- **FP145:** *“RELIVE – RESilient LIVELihoods of vulnerable smallholder farmers in the Mayan landscapes and the Dry Corridor of Guatemala”*, Food and Agriculture Organization of the United Nations (FAO); Guatemala; US\$ 29.8
- **FP146:** *“Bio-CLIMA: Integrated climate action to reduce deforestation and strengthen resilience in BOSAWÁS and Rio San Juan Biospheres”*, Central American Bank for Economic Integration (CABEI); Nicaragua; US\$ 64.1
- **FP147:** *“Enhancing Climate Information and Knowledge Services for resilience in 5 island countries of the Pacific Ocean”*, United Nations Environment Programme (UNEP); Cook Islands, Marshall Islands, Niue, Palau, Tuvalu; US\$ 47.4
- **FP148:** *“Participation in Energy Access Relief Facility (“EARF”)*, Acumen Fund, Inc.; Democratic Republic of the Congo (the), Kenya, Mozambique, Nigeria, Rwanda, Senegal, Sierra Leone, Uganda, Zambia; US\$ 30.0
- **FP149:** *“Green Climate Financing Facility for Local Financial Institutions in Latin-America”*, Corporación Andina de Fomento (CAF); Chile, Ecuador, Panama, Peru; US\$ 100.0
- **FP150:** *“Promoting private sector investment through large scale adoption of energy saving technologies and equipment for Textile and Readymade Garment (RMG) sectors of Bangladesh”*, Infrastructure Development Company Limited (IDCOL); Bangladesh; US\$ 256.5
- **FP151:** *“Technical Assistance (TA) Facility for the Global Sub national Climate Fund”*, International Union for Conservation of Nature (IUCN); multiple countries (42); US\$ 18.5 (considered jointly with **FP152**)
- **FP152:** *“Global Sub national Climate Fund (SnCF Global) - Equity”*, Pegasus Capital Advisors (PCA); multiple countries (42); US\$ 150.0 (considered jointly with **FP151**)
- **FP153:** *“Mongolian Green Finance Corporation”*, XacBank LLC; Mongolia; US\$ 26.7

Funding proposals **FP146**, **FP151** and **FP152** considered jointly, **SAP017** and **SAP019** required further interaction and consultations between board members.



One Board member opposed both **SAP017** and **SAP019**. Further consultations were conducted with Board members but agreement could not be reached. The Co-Chairs, considering that all efforts at reaching consensus had been exhausted, proceeded to put the funding proposals up for a vote by the Board. For **SAP017**, 22 Board members voted in favour, 1 Board member against the proposal and 1 Board member abstained; the proposal was ultimately approved. As for **SAP019**, 23 Board members voted in favour and 1 Board member against the proposal, which was ultimately approved.

One Board member expressed his objection to the approval of **FP146**. Additional concerns over this proposal were raised by other Board members, related to the governance of the project, the monitoring and oversight necessary for its successful implementation, as well as the apparent lack of consultation of the indigenous populations in the project's area. Further consultations were conducted with Board members, which resulted in additional conditions being added to the proposal and related decision. However, agreement could not be reached with the objecting member. The Co-Chairs, considering that all efforts at reaching consensus had been exhausted, proceeded to put the funding proposal with additional conditions up for a vote by the Board: 22 Board members voted in favour of the proposal with the added conditions, 1 Board member abstained and 1 Board member voted against the proposal, which was ultimately approved.

**FP151** and **FP152** were considered jointly, because they represent two different components of the same project. Concerning these proposals, opinions were divided among the Board members, with some considering the proposal very relevant to smaller developing countries that have a harder time accessing climate funds for the private sector on their own; as well as its relevance in terms of promoting private sector involvement. The focus of the proposals in the subnational level was also seen as a positive aspect. Other Board members expressed strong concern with the proposed Fund representing in effect a blind pool, which makes evaluation of the potential impact of the investments impossible ex-ante, because the number, type, size and location of the sub-projects is unknown. Additionally, the number of projects that will benefit each one of the 42 countries involved, if any, is unknown, and there is a possibility that some countries will not be able to access these funds and that national capacities will not be developed, both for the subnational authorities and the local private sector. Of concern as well was the implementation arrangements, given that two accredited entities (Pegasus Capital Advisors and IUCN) are involved, increasing the complexity of managing the project and requiring further clarification on the distribution of responsibility for implementation.

One Board member initially opposed the approval of these proposals, on the basis that more information was necessary to understand the proposals and their potential impact. After further consultation and the addition of specific conditions, consensus was achieved and the proposals were approved.

## **Consideration of accreditation proposals**

The Secretariat presented an overview of the status of accreditation up to 31 October 2020 along with the pipeline of applicant entities. The presentation also contained information on support to Direct Access Entities (DAEs) and an overview of the accredited entity portfolio. It was reported that until 31 October 2020, 99 entities had been accredited and a pipeline of 120 entities were still seeking accreditation. The Secretariat highlighted that in

addition to the pipeline, eleven applications had been received from Accredited Entities requesting to upgrade their accreditation types of which eight have already been approved for upgrade by previous Board decisions. Furthermore, the Secretariat continued providing in-depth readiness support for pre-accreditation to 37 DAEs nominated by 48 countries. At this meeting, the Board was presented with four new entities for accreditation - three for direct and one for international access.

Board members welcomed the presentation by the Secretariat. Concerns were raised regarding the amount of time needed from application to approval of accreditation proposals (21 months on average). Others stressed the need to streamline the accreditation process, in particular for direct access entities and suggested strengthening partnership between direct and international access entities.

The Board decided to accredit all entities as proposed, namely:

- **Kemitraan bagi Pembaruan Tata Pemerintahan (Kemitraan)**, Direct Access (public), Indonesia
- **National Trust for Nature Conservation (NTNC)**, Direct Access (private), Nepal
- **KCB Bank Kenya Limited (KCB)**, Direct Access (private), Kenya
- **Camco Management Limited (Camco)**, International Access (private), UK

### **Updated Strategic Plan for the GCF for 2020-2023**

The latest draft of the Updated Strategic Plan (USP) was only made available on the GCF website on the second day of B.27, on which the respective agenda item had been scheduled for consideration. The Co-Chair opened the agenda item, noting that the USP will be of high importance for the performance under GCF-1 and that a significant amount of work has been already put into the current draft - both observations which should encourage Board members to conclude B.27 with an adoption of the USP. This was followed by the Secretariat presenting the process of developing the USP, which started at B.21 in October 2018. After a formal round of inputs for the USP and a preparation of a zero draft for B.24 (November 2019), work on the draft commenced in informal working sessions, concluded by a small group process (July-October 2020). Moving forward, the latest co-facilitators for the topic, Mr. Walter Schuldt (Ecuador) and Mr. Josceline Wheatley (United Kingdom), which had been assigned to this role at B.25 in Geneva, presented the results of the most recent consultations with Board members. These had been focussing on six outstanding issues, namely (i) strategic objectives – allocations (paragraphs 13(b) and (c)); (ii) shifting financial flows in accordance to Paris Agreement para 2.1c (paragraphs 7, 15, 21); (iii) project prioritization (paragraph 20(c)); (iv) diversifying instruments (paragraph 20(e)); (v) accreditation prioritization (paragraph 26 (a)); and (vi) efficient process management and delegation (paragraph 29). Both Co-Facilitators also underlined that this has been one of the longest and most involved processes within GCF work, reflecting various contributions from all sites.

Thereafter, the floor was opened for comments by the Board members, which was met with high participation. The majority of Board members also acknowledged the long, work-filled process of the USP, while stating, despite its guiding nature, that other strategic documents (e.g. Governing Instrument, Work Plan, COP guidance) should not be superseded by it and that it should not result in a complete change of the nature of the fund

(e.g. no limitations on access for any stakeholder compared to the status quo). Within the further debate, persisting concerns surrounding the outstanding issues were reiterated, for example, some members underlined again concerns over the strength of support for DAEs or the emphasis of private sector participation. Other Board members underlined that it is already a document of compromise, accommodating varying views as much as possible, and arguing for adoption. Finally, a representative from the CSOs also highlighted support for strong elements on adaptation finance and DAE engagement in the USP and expressed disappointment regarding the missing inclusion of comments to integrate equity and human rights in the draft. Due to the multitude of input received on the initial discussion of the latest draft USP, a decision was adjourned to a later point of B.27. The agenda resumed on the last day of the Board meeting, as the Secretariat presented an updated USP document with a new alternative option in the decision text on funding allocation for adaptation, and several edits in Annex II of the document. The Co-Chairs recalled that when the draft was first introduced on day 3 of B.27, the Board had agreed for the funding allocation to meet and exceed the IRM targets. One Board member wanted reassurance that any changes in the decision text paragraph would not result in a reclassification of countries.

Although a proposal was made to conduct a formal voting process on this agenda item due to the seemingly unending debates on the decision text, most Board members insisted that a decision on the USP needed to be made by consensus. Ultimately, the Board approved the draft decision and adopted the USP of the GCF for 2020-2023.

## **Review of the Multilateral Organisation Performance Assessment Network (MOPAN)**

Since the information about an intended review of the GCF by MOPAN already created a contentious debate around Board responsibilities and procedures at B.26, the item appeared again on the agenda at this Board meeting. The Executive Director presented the background and history of communication between GCF and MOPAN. In response, several Board members stressed, that from their perspective, the GCF Governing Instrument entitles solely the Board and the COP to request and approve reviews of a dimension such as MOPAN. Thus they reiterated their demand to stop the process for the moment. They further criticised the lack of communication on this issue among Board members and the Secretariat. On the other hand, other Board members had the view that the MOPAN assessment does not significantly differ from other external reviews and is of high importance for contributors to fulfill their legal accountability obligations. The Co-Chairs concluded that there exists a clear divergence of opinions across the Board on this matter and specified that the Executive Director will take those into account in his communication with MOPAN. Since there was no consensus on an engagement of the GCF with MOPAN activities at this point of time, there might be a follow-up session giving MOPAN the opportunity to present its approach to the Board at one of the next Board meetings.

## **Updated and Integrated Results Management Framework and results tracking tool**

So far the GCF relied on its initial Results Management Framework and Performance Measurement Frameworks to track its results and impact. At its 22nd meeting, the Board requested the Secretariat to present an updated Integrated Results Management Framework (IRMF) that combines both existing frameworks and better links to the Investment Framework for the GCF-1 programming. Most Board members welcomed the proposed general approach of the IRMF. While several Board members suggested transforming the present information item into a Board decision, other Board members opposed an accelerated approval process for such an important element of the GCF. They suggested comprehensively taking into account the comments made by the Board, including demands for properly reflecting constraints from smaller DAEs. Several entities raised concerns about introducing new standards and requirements in the middle of the five years AE approval cycle and during the COVID-19 pandemic. Furthermore some Board members remarked that IRMF and USP should be properly linked. Consequently, as the USP was not yet approved, they felt a decision on the IRMF was not yet possible. The CSO active observer expressed disappointment that despite the participatory approach of the IRMF, civil society and indigenous groups have not been consulted on the framework yet. Eventually, the Board agreed to address the remaining concerns and comments over the next months and take a decision on the IRMF at the next meeting.

## **Work programme of the Secretariat and administrative budget for 2021**

The Secretariat presented the agenda item stating that GCF's operating context had dramatically changed compared to the 2020 approved work programme and budget due to the ongoing COVID-19 pandemic. It was reported that the GCF-1 replenishment process had successfully raised about US\$ 10 billion with pledges coming from 31 countries, helping to increase GCF's annual programming ambition by almost 70%. The Secretariat presented that the 2021 work programme and the budget would focus on six key priorities with a results framework reframed around expected qualitative outcomes. The priorities include i) Origination of country-driven, paradigm-shifting investments; ii) Project development and appraisal to build an impactful GCF Portfolio; iii) Management of portfolio implementation for results and knowledge; iv) Supporting the Board and helping to advance consolidation of the GCF policy and governance framework; v) Facilitating access and accelerating implementation by improving process efficiency, effectiveness, transparency and speed of delivery; and vi) Fostering a high-performance collaborative culture and consolidating institutional capacities and oversight. In order to execute these key six priority areas and meeting the Board expenditures and Trustee costs, the Secretariat requested the total budget of US\$ 83.53 million for 2021, marking an increase of 6.4% compared to the 2020 budget (US\$ 78.48 million). Overall, there was an increase of budget for the Secretariat (4.8% increase), Board expenditures (18.5% increase) and Trustee costs (30.4% increase). The Secretariat stated that the increase in budget was to respond to the significant growth that had taken place in key work areas like project implementation and formulation. A number of Board Members deliberated on this agenda item appreciating the work of the Secretariat and the Budget Committee. They appreciated

the ambitions put forward through the work programme and the budget at this unprecedented time of COVID-19. One Board member proposed the inclusion of preparing a comprehensive financial plan to manage GCF-1 resources in the draft decision text. Similarly, another Board member requested to include the preparation of an accreditation strategy in 2021 in the decision text. Regarding the accreditation strategy, a number of Board members opposed the idea, stating that this matter was being dealt with under another agenda item.

Consequently, apart from approving the budget for the Secretariat, the Board and the Trustee, the decision text also requested the Secretariat to prepare a comprehensive financial plan to manage the commitment authority for the entire GCF-1 programming period for the Board's consideration at B.29.

## **Work programmes and budgets of the independent units**

### **a) Work programme and budget of the Independent Evaluation Unit (IEU)**

A representative of the IEU presented the progress of 2020 and the work plan and the budget for 2021. In 2021, the IEU plans to proceed its work through four pillars: i) Building and strengthening the IEU; ii) Evaluations; iii) Capacity building and advisory services; and iv) Uptake, communications and partnerships. The IEU will commence five evaluations in 2021 and deliver them in a phased manner for Board consideration in 2021 and 2022. The five evaluations include a) an Independent evaluation of the effectiveness of the GCF investments in LDCs; b) an Evaluation of the GCF Request for Proposal (RfP) pilot programmes; c) an Independent evaluation of the GCF's approach to the private sector; d) the continuation of its multi-year evaluation of project investments through the LORTA programme; and e) the first phase of the second performance review (SPR) of the GCF. The proposed budget for the year 2021 was US\$ 5.91 million, marking an increase of 5.9% over its 2020 budget (US\$ 5.58 million).

A number of Board members appreciated the work of the IEU and the plan they have proposed, stating that the work of the IEU was crucial for the performance of the GCF. Some Board members stressed that the private sector evaluation and the second performance review of the GCF should start on time and suggested close cooperation between the IEU and the Secretariat. One Board member raised a concern on the annual work plan and the three year rolling work plan stating that five evaluations per year was a bit too many as it would take the Board a lot of time reviewing and discussing them. Hence, a suggestion was made to change the current practice and only have two to three evaluations per year taking care of the quality rather than the quantity. One Board member was of the opinion that the Board needed to manage time well rather than reducing the number of evaluations, as evaluations are key to a learning organization like the GCF. After some discussion on the draft decision the agenda item was adopted with some changes to the original draft.

### **b) Work programme and budget of the Independent Integrity Unit (IIU)**

The head of the IIU was requested to make a brief presentation on the work programme and budget for 2021. In the presentation, the review of the work done in 2020 was briefly shared and highlighted the key priorities and proposals for 2021. It was stated that during the last three years, the IIU had significantly improved its efficiency and productivity in the

review and investigation of complaints. No detailed discussion took place on the document, but one Board member suggested the IIU to provide clearer information in reporting of the cases, complaint numbers and time lapsed with frequent reporting. The Board approved the work programme and budget of US\$ 2.79 million (a 6% increase the 2020 budget) for the IIU for 2021.

c) Work programme and budget of the Independent Redress Mechanism (IRM)

Due to the constraint of time, the head of the IRM did not make a presentation to the Board. However, the Co-Chair requested the Board to refer to the document provided. No comments were made on the draft decision. Consequently, the Board swiftly approved the IRM's work programme and the budget of US\$ 1.39 million for 2021.

**Other matters**

As usual at the end of the year, new Co-Chairs for the Board were elected. The developing country constituency nominated Ms. Brenda Ciuk Cano (Mexico) to serve as Co-Chair in 2021. The developed country constituency was not yet in a position to select a new Co-Chair. However, France expressed their interest in a candidature. A decision on the matter will be taken intersessionally.

Regarding the dates and venue of upcoming Board meetings, no decision was taken given the uncertainty related to the global COVID-19 pandemic. The Co-Chairs and Board will deliberate on the best approach intersessionally.

---

**[www.cfas.info](http://www.cfas.info)**

---



Copyright © 2020 Germanwatch e.V., All rights reserved.