Starting at exactly 9PM South Korea time, co-chairs Nauman Bhatti (Pakistan) and Sue Szabo (Canada) welcomed the Board to its very first virtual Board Meeting. They opened the meeting thanking the Secretariat for making the online meeting possible and then went on to pay tribute to Leonardo Paat, a member of the GCF Secretariat, who recently passed away from Covid-19. He was the Environment and Social Safeguards, Gender and Indigenous Peoples manager and he became ill with the virus after the previous Board Meeting in Geneva, Switzerland last March. The GCF Executive Director, Yannick Glemarac also expressed his and the entire Secretariat’s sadness when he passed away and requested the Board and the participants of the meeting for a minute of silence in memory of Leo.

As the meeting progressed, BMs at the beginning of their interventions said a few lines to honor Leo and expressed sincere condolences to his family and the entire GCF staff. But the BM from Egypt in his intervention made a very important point. He asked the GCF Executive Director to find ways how the GCF can make sure Leo’s family is well taken care of, because it cannot be denied that Leo contracted the virus, which led to his passing, while he was on duty.

The Board then proceeded to the Adoption of the B26 Agenda, to which some BMs expressed disappointment for not seeing crucial agenda items that are time-sensitive and were not resolved in several past board meetings. Among these agenda items, the Strategic Plan is considered as most urgent, as it has supposedly been completed after the informal meeting in Monrovia last January 2020. Because of this, BM from Sweden requested for another informal Board session to discuss these items further, and reminded the Board about some of the documents that they need to decide on (i.e. Accreditation Synthesis Report, ESS Evaluation, Country Ownership Evaluation and Assessment of Simplified Approval Process) so they can proceed with discussions on the Updated Strategic Plan of the Fund.

In our CSO Intervention, our AO from the Developing Country CSOs, Eileen Cunningham, pointed out the challenges of virtual meetings, and laid down some issues related to transparency and information disclosure that Civil Society encountered prior to B26. Our Active Observers were excluded from the planning and did not receive any updates throughout the months of May and June. Current B26 documents also do not mention anything about the participation of Active Observers in the succeeding virtual Board Meetings.

This discussion was followed by the Report on the Activities of the GCF Secretariat to which Yannick Glemarec provided updates on the implementation of the Secretariat’s work programme for year 2020. He boasted how they have reduced processing time of some operations including the acceleration of the GCF’s readiness program and preparatory support. The signing of the Funded Activity Agreement (FAAs) were also expedited by 90%, and to him, this meant boosting the disbursement process for climate projects. He also reported the challenges brought about by the Covid-19 pandemic, and some of them include the execution and effectiveness of some projects, as well as difficulties in terms of staff hiring as many candidates have not been willing to relocate to Korea amid
the uncertainty of the pandemic. Yannick also proudly shared the traction gained by GCF’s resource mobilization and reported new confirmed pledges from 2 countries, Malta and Liechtenstein.

Comments from developed country Board Members were mostly appreciations to the work that the Secretariat did, especially in the context of Cobid-19. They also raised again the need to accelerate Board decisions on policies that the BM from US believe the delay will negatively impact and cause problems in the implementation of many GCF operations. Such statement was echoed by the BM from Germany who encouraged the Board to strengthen the capacity of the Secretariat so they can process the necessary requirements for filling the policy gaps of the Fund.

Many of the developed country BMs were also pleased to hear in the report the GCF’s commitment in *greening* economic stimulus measures amid the Covid-19 pandemic.

But some BMs opt to focus on the numbers reported about the resource mobilization process of the Fund. BM from Norway urged other contributor countries to complete their pledges as projects pile up, while developing country BMs expressed alarm and disappointment to the slow progress of this matter. BM from Saudi Arabia pointed out that a 54% signing of pledges after almost a year of talks about replenishment is something the Board should be ashamed about. Until now, only a fraction has been delivered to the Fund for GCF-1. BMs from the same constituency were also not happy with the idea of the GCF getting into green recovery measures, since this may lead to shifting away from the adaptation-mitigation target priorities of the Fund, as well as entail additional requirements for entities accessing the Fund. BM from Egypt also added that while there is no harm getting into the green recovery arena, especially with everything that is happening to the world right now, the GCF should be very careful in dealing with the matter because a stark reality still holds – the Fund does not have enough resources.

BM from Tanzania and Sudan were particularly concerned about the slow accreditation process and bottlenecks in signing the Accreditation Master Agreements (AMAs) of entities, particularly Direct Access Entities (DAEs). BM from Liberia raised that DAEs remain to be disadvantaged in the accreditation game of the Fund, while BM from Tanzania cited a number of entities accredited since B12 and B21 but have not progressed in submitting any funding proposals. This meant there is a serious problem in the accreditation process, particularly in fulfilling the requirements and signing the AMAs.

Our CSO Intervention delivered by Erika Lennon, our Active Observer from the developing country CSOs commended the Secretariat on activities they have done to strengthen the systems for internal tracking and interfaces with NDAs and AEs, but also noted the limited information CSOs get with regards to the progress on the following topics:
- Indigenous Peoples’ Advisory Group
- Updates on integrated Results Management Framework (IRMF) and how CSO can add inputs
- The development of GCF’s Sustainability Strategy
- Considerations on the GCF approach to fund activities to address loss and damage, where we as civil society expect to be consulted in an early stage given the breadth of experience in loss and damage that the CSO community represents, and its importance to vulnerable countries.

The various Reports of Board Committees, Panels and Groups were also part of the Day 1 discussions. Although the presentation of the Report of the Board Committees was suspended, the Board was able to note the **Reports on the Activities of the Independent Units — Independent Evaluation Unit (IEU), Independent Integrity Unit (IIU) and Independent Redress Mechanism (IRM)**. Summary of the reports below:
IEU

Key activities of IEU from Jan-June 2020

1. Evaluation of Country Ownership Approach, Evaluation of ESS and Management System – with key recommendations on clarification of country ownership and making it part of the GCF eligibility criteria, co-development between the IAE and DAE as well as build capacity of DAEs, develop the Fund’s ESS standards that go beyond ‘do no harm,’ and have a GCF policy on stakeholder engagement. The IEU also submitted the rapid assessment of the Simplified Approval Process (SAP) and the Independent Synthesis of GCF’s accreditation function.

2. Advisory services, learning and capacity strengthening – evidence trees and evidence maps, learning papers and webinar sessions – so that GCF can learn from other work and organizations.

3. Update, communications and partnerships – reports are translated to Spanish, French and Arabic; also established MoUs with organizations, conducted webinars on climate change and evaluation and circulated IEU newsletters.

The IEU also reported that as of June 30, 2020, they were able to disburse 52% of its budget.

IIU

Key priorities of IIU from Jan-June 2020

1. Administrative remedies and exclusions framework
2. Investigations standards
3. Review of integrity policies and implementation
4. Proactive integrity risk assessment
5. Upscale investigative responses
6. Awareness Raising and Training

So far the IIU has reported that there are a total of 17 cases filed so far, 13 have already been closed. There are processes that have been interrupted due to the pandemic.

IRM

The operations of the IRM has been impacted by the Covid-19 pandemic. Some members of the staff had to go back to their respective countries affecting the progress of pending work. So far, the IRM received 2 complaints for FP043 in Morocco (currently under problem solving phase) and FP084 in India (closed and ineligible).

IRM also reported that because of the pandemic, the budget utilization has been reduced to only 32% because of halt in travel and face to face capacity building activities.

The IRM also presented the Advisory Report of the IRM on the prevention of the Sexual Exploitation and Harassment in the GCF. Recently, the World Bank received two cases of SEAH in projects and programmes funded by the Bank. It has made several system reforms and the IRM submitted the advisory report to learn from the responses implemented by the World Bank and apply relevant learnings from it to the GCF.

There were no major comments from the reports of the independent units except for the point made by BMs from Saudi Arabia and Egypt on the classification of countries made by the IEU. Both BMs
reminded the IEU that the Fund is focused on climate change and not on economic income, and that reference to the UNFCCC, the Paris Agreement and guidance from the Conference of Parties especially when it comes to country classification should hold at all times. The IEU classification was based on the economic income of countries instead of using the classification based on vulnerability under the UNFCCC. This was later addressed by the head of the IEU, and said the report used the references of other international organizations. She admitted it was an error on her part, and committed to make the necessary amendments.

It was also at this time that Jo Puri, the GCF Independent Evaluation Unit (IEU) Head announced that she will be leaving the GCF. Many BMs thanked her for the work that she contributed to the Fund and wished her luck in her future endeavors.

We also echoed the appreciation to Jo in our CSO Intervention delivered by Erika Lennon (AO from developed country CSOs) and added a detailed response to the IRM Advisory report presented. We agreed with the IRM’s assessment that even in the absence of an updated and expanded SEAH Protection Policy that covers third parties and accredited entities and which is still under development, there is already plenty that the GCF and accredited entities can and should do within existing policy frameworks and mandates under the ESS framework, the ESP, and the gender policy to establish a preliminary project/program-specific SEAH risk management tool. However, we believe the Secretariat’s response of being “unable to ensure” the capacity of accredited entities to deal with project-level SEAH risk assessment is unhelpful. The statement would seem to undermine many of the existing GCF policies and their application, such as the Indigenous Peoples Policy, ESSs, the ESP, and the gender policy.

The last agenda item for Day 1 was about the **Status of GCF Resources, Pipeline and Portfolio**. In summary below are the highlights of the report (figures as of July 31, 2020):

- Of the GCF-1 commitment, only USD 1.4 billion has been delivered thus far
- Total requested for all the approved projects amount to USD 20.4 billion for 133 country recipients. Of this, USD 11.3 billion goes to Africa, LDCs and SIDS, followed by USD 7.5 billion for African region, USD 7.3 billion for Asia and the Pacific and USD 4.8 billion for Latin America and the Caribbean
- Bulk of the budget requested for projects in the pipeline are for the private sector (64%), under the mitigation theme (48%) and mostly going to priority countries in Africa, LDCs and SIDS (58%)
- Under the Readiness support, a total of USD 264 million for 137 countries was approved; USD 160 million allocated to priority countries in Africa, LDCs and SIDS, USD 84 million for the African region, USD 83 million for Asia Pacific, USD 77 million for LAC and USD 21 million for Eastern Europe
- Total commitments for projects amount to USD 5.3 billion for 128 projects, to be implemented in 103 countries; Of these, USD 3 billion is dedicated to priority countries in Africa, LDCs and SIDS, followed by USD 2.2 billion for Africa, USD 1.9 billion for Asia-Pacific, USD 1.1 billion for LAC, and USD 0.3 billion for Eastern Europe
- Of the 128 approved projects, 102 are under implementation, but only USD 1.2 billion has been disbursed; funding is heavily skewed towards the public sector (64%), under the mitigation theme (58%), and priority is still given to LDCs, SIDS, and Africa
- Impact of the Covid-19 pandemic to the GCF portfolio showed increase in projects that are not on track with regards to implementation (from 99 on track in May 2020, down to 59 projects in August); It has also impacted the disbursement with projections of reduction from USD 1.8 billion disbursement to USD 1.5 billion by end of the year
The report was an information document and BMs are not expected to decide on the matter, however, many have expressed concerns with regards to how the pandemic slowed down the progress of project preparation and implementation.

Some BMs also noted the fact that the portfolio remains skewed towards mitigation, a recurring issue that BMs from developing countries strongly oppose. Other BMs also urged to balance the portfolio based on result areas, saying the Fund should stop its fixation with energy projects and also explore other areas like transport. BM from Denmark posed a question about how the Fund envisions to address the financial gap in the REDD+ Results Based Payments, while BM from Egypt asked about why the disbursements have been consistently low, even before the Covid-19 pandemic happened.

Our AO from developing country, Eileen Cunningham, reiterated some these concerns particularly how adaptation projects continue to get lower support both in nominal approved funding and in the pipeline. We also reiterated the fact that although more DAEs were accredited to the Fund, only 15% of the funding are channeled through them and 85% still goes to IAEs. Also, in light of our ongoing and serious concerns about existing GCF processes and procedures, we raised that the extension of the current REDD+ pilot program with greater financial backing and an expanded eligibility period, as well as the establishment of a REDD+ funding window are premature and wrong. We urged the Board and the Secretariat to address first the issues, including revision of changes to the scorecard, before new REDD+ RBP proposals are considered.

Day 1 ended 30 minutes beyond target schedule, but co-chairs are positive the Board will get the hang of the virtual meeting in the coming days.

To watch the GCF B26 proceedings live, go to https://www.greenclimate.fund/boardroom/meeting/b26#videos. Meeting will run from 9PM – 1AM Korea time.