GREEN CLIMATE FUND

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Work programme of the Secretariat for 2019 and administrative budget

Summary

This document presents the work programme of the Secretariat and the proposed administrative budget of the Secretariat, the GCF Board and the Interim Trustee for 2019. It includes on page 10 a draft decision for consideration of the Board, in Appendix I, a provisional results framework designed to support the Secretariat and the Board in assessing GCF progress on key work programme targets, and in Appendix II, a consolidated overview of the budget that includes the budgets of the independent units.

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Executive summary

1.   The 2019 work programme of the Secretariat and administrative budget of the Secretariat, Board, and the Interim Trustee are being submitted in fulfilment of the mandate in paragraph 23(e) of the GCF's Governing Instrument and consistent with the direction of the Board in its decisions and its Initial Strategic Plan. This Executive Summary includes highlights of the proposed work programme and an overview of the proposed budget. As discussed in the budget committee, to allow for a better overview of expected budgetary implications for 2019, the budgets of the three Independent units will be included in the regular document "Administrative Budget of the Green Climate Fund for 2019" (as Appendix II). However, the proposed draft decision of the Board titled "Administrative Budget of the GCF for 2019" would only refer to administrative budget for the Secretariat, Board, and Interim Trustee. The budgets of the IUs would still be dealt with and approved via separate decisions.

2.   **The GCF enters 2019 with significantly enhanced capacity.** Following the direction of the Board in its Initial Strategic Plan, past annual work programmes have included as priority goals an expansion of the GCF pipeline of high impact, country driven proposals; an increase in the number of such proposals coming to the Board; and, an increase in the number of Fund projects and activities that are initiating implementation. The GCF has made significant progress in meeting these goals. Specifically, the Fund will end its Initial Resource Mobilization (IRM) period with a growing pipeline of project and programme proposals that is likely to be in the range of USD 5b. Additionally, over the last two years the Fund will have increased the number of projects under implementation from 1 at the beginning of 2017 to 31 now. Finally, the GCF will have attained a current estimated capacity to develop and submit between USD 3.5b and USD $5b annually in funding proposals. In short, as the IRM period reaches its end, the Board has achieved the objective of having a Secretariat that is up and running at an accelerated pace.

3.   **2019 will be a year of transition for the GCF as it moves from the end of the IRM period to the first formal replenishment**. While the GCF has achieved broad advances in meeting key Strategic Plan goals, changing circumstances will make it difficult for the Fund to build on or even maintain its current funding momentum. Specifically, 2019 will represent the first time in the GCF's history that the level of demand will exceed available funding, a situation not unlike for most, if not all funding institutions. Yet the GCF remains the world's largest dedicated multilateral climate fund. The transition from a period of increased expectations to this year of relative funding scarcity will require consideration of a number of new issues including the prioritization of the growing pipeline, essential messaging to National Designated Authorities (NDAs) and accredited entities (AEs) on the potential timing of approvals of both pipeline proposals and possible new submissions. Furthermore modifying the use of key GCF tools such as the Project Preparation Facility (PPF) and new targeted Requests for Proposals (RPFs) may have to be considered, as these tools evidently result in adding still new AE funding proposals to a pipeline that is already growing both quickly and organically.

4.   Information on the potential size and timing of expected replenishment inflows and resolution of important outstanding policy questions would help address issues of prioritization. Consequently, **a key Secretariat focus during 2019 will be supporting the Board in taking decisions to fill longstanding policy and process gaps and in responding to COP guidance.** Pressing, long-outstanding gaps noted in both the 2018 Secretariat work programme and the Board's 2018 workplan include policies broadly related to project eligibility criteria, investment criteria indicators, consessionality and incremental cost; and process gaps broadly related to decision making, project and accreditation review, moving projects from approval to implementation, and building a paradigm shifting pipeline. Papers and related draft decisions on many of these issues are being presented to B.21. That said, over the last two and a half years the Secretariat has prepared and circulated to successive co-chairs teams and co-chairs numerous papers that the Secretariat hoped would assist the Board in taking related

decisions. It has proven difficult, however, for the Board to reach consensus. As a consequence, 2019 may present a good opportunity for the consideration of potential options for enhancing GCF consensus building modalities.

5.   Regardless of how consensus is mobilized, it is clear that Board agreement on outstanding issues would support efforts related to replenishment. The Governing Instrument calls on the Secretariat to "support the Board in arranging replenishment processes," and as a consequence of both its 2018 staffing and 2019 budget, **the Secretariat will enter 2019 in a position to support the GCF replenishment effort in any administrative or substantive manner directed.** One replenishment activity that was explicitly called for in the Board's Initial Strategic Plan is the review of that plan and its action plan as part of each replenishment process, and the Secretariat stands ready to assist the Board to advance this important endeavor.

6.   **During 2019, the Secretariat will also focus on a range of other priorities including accelerating implementation and managing for results; and, strengthening country ownership through enhanced delivery of Readiness. As regards project and programme implementation, as of 1 September, 31 of the 74 Board approved projects had entered the implementation phase and received first disbursements. During 2019, the Secretariat will target raising the number of projects in implementation to 74.** At the same time, the Secretariat will evaluate lessons learned and work to optimize our post approval processes in order to continue to accelerate the drive to implementation. Finally, during 2019, the Secretariat will track expected results from the growing number of projects that will be entering implementation, and institute regular reporting to the Board on related progress.

7.   Building on the findings of the initial Readiness Programme review and the initiatives included in the revised 2018 Readiness work programme approved at B.19, **2019 will see a significant expansion in both the range and depth of readiness support.** Specifically, the Secretariat expects that by the beginning of 2019 it will have operationalized a series of initiatives designed to bring countries quick response technical assistance on a wide range of identified needs in support of strong country programmes, policies, concept notes and project proposals. Given the unique nature of 2019, and the expected reduced number of project reviews, the Secretariat will also be able to increase the use of cross Secretariat teams of experts to support enhanced institutional strengthening efforts. In addition, the Secretariat will support country ownership through increased assistance to Direct Access Entities (DAEs), and accreditation of at least 19 more DAEs in 2019; further progress on the initial Strategic Plan and UNFCCC Parties' guidance could be accelerated if the Board approves the project specific accreditation proposal being proposed to B.21. Finally, and taking into account findings from the recently finalized Independent Evaluation Unit review, a Readiness 2.0 programme will be submitted to B.22 for decision, and a new phase in the development of the Readiness Programme will begin.

8.   The Initial Strategic Plan also prioritized crowding in and maximizing the engagement of the private sector, and toward that end, **the Private Sector Facility will work with the Readiness Programme, the Private Sector Advisory Group and others to increase NDA ability to tap into both the immense potential of the private sector and the wide array of different GCF and external funding options available to help countries meet their national goals**. In addition, the Private Sector Facility is assessing its currrent work, private sector needs, and opportunities and issues raised by the GCF's unique mandate and framework in developing a forward looking strategy for presentation to the Board in mid-2019.

9.   **In 2019, the Secretariat will enhance Fund efforts to assess and articulate the climate impact of proposed GCF work with a view to building a paradigm shifting portfolio.** Significant efforts in this area will include the development of new guidance and submission templates that require proposals to more clearly state their climate rationale and

explain how they are consistent with the GCF's paradigm shifting mandate. In addition, the Secretariat will enhance its early screening of concept notes and proposals to provide early feedback on their climate nexus and compliance with other GCF mandates. The Secretariat will also prepare an objective methodology to assess the climate rationale of proposals, their alignment with the investment criteria, and the likelihood that they will achieve their targeted climate change impact. Further, the Secretariat will use its completeness checks as well as guidance from the Governing Instrument, the Board's Initial Results Management Framework, the Board's past decisions and conditions on approvals, and requirements related to balancing IRM resources to help it make decisions regarding immediate priorities. While these efforts cannot fully substitute for agreed Board eligibility criteria, they can help to enhance the climate nexus and potential fundability of Fund proposals. Finally, the Secretariat will increase its work with the GEF, the Climate Investment Fund and the Adaptation Fund in enhancing complementarity and coherence in joint programming, support for DAEs, NAPs and pipeline development, and in supporting Board consideration of Fund to Fund arrangements as needed.

10.   **During 2019, the Secretariat will advance the Initial Strategic Plan priority on operationalizing procedures to initiate a proactive and strategic approach to annual programming.** As the Fund transitions to a situation in which the demand for its support exceeds the availability of its funds, the need for planning and programming becomes more acute. This makes the finalization of strong country and entity work programmes more important, and during 2019 the Secretariat will increase its efforts and support toward this goal. Further, during 2019, the Fund will move toward institutionalizing planning by formally establishing a framework for an annual pipeline and business plan, and working to strengthen the linkage between the pipeline and priority activities contained in country and entity work programmes.

11.   **The Secretariat will also be taking a series of steps designed to consolidate its growing capabilities and create a common, country centered culture of excellence.** Related initiatives will include: developing and implementing a comprehensive Knowledge Management System; engaging expert institutes or firms through a framework of Communities of Practice; finalizing and implementing new HR procedures; increasing opportunities for staff learning and development; and, strengthening and increasing the transparency of Secretariat accountability frameworks.

12.   **Expected 2019 Outputs:** Assuming that all of the proposals submitted to B.21 will be approved, the Secretariat is provisionally projecting that the value of quality proposals submitted to the Board in 2019 will be in the range of USD 1.2 to 1.5b. In addition, and as a result of the substantial post-approval work that the Secretariat is performing in 2018, we have set a target of having over 59 public and 15 private sector projects moving to the implementation phase by the end of 2019. Another indicator of increased output relates to GCF disbursements. While disbursements are tied to specific schedules agreed with Accredited Entities, the Secretariat is targeting cumulative GCF project-related disbursements of between USD 900m and USD 1.4b. by the end of 2019.

13. The table below summarizes additional outputs expected for the year 2019, including projections for cumulative disbursements as of the end of 2019[1]

	FP/project/ programmes Sectors/ Country Programming		Funding Proposals	Readiness Support (non-NAP/PPF)	National Adaptation Plans	Project Preparation Facility	Simplified Approval Process	Mobilizing Funds at Scale	REDD-plus
			USD amount (number of proposals/requests)						
Country Programming	Approval		–	45 million (70 requests)	62.5 million (25 requests)	16.8 million (32 requests)	–	–	–
	Disburse.		–	80 million	37 million	10 million	–	–	–
Private Sector	Approval		750 million (12 proposals)	–	–	–	30 million (3 proposals)	178 million (3 proposals)	–
	Disburse.		500-700 million	–	–	–	–	–	–
Public Sector	Approval		700-750 million (17-22 proposals)	–	–	–	50-100 million (5-10 proposals)	–	150 million (2 proposals)
	Disburse.		400-700 million	–	–	–	–	–	–
Totals	Approval		1,450-1,500 million (29-34 proposals)	45 million (70 requests)	62.5 million (25 requests)	16.8 million (32 requests)	Included in private and public sectors total	Included in private sector total	Included in public sector total
	Disburse.		900-1,400 million	80 million	37 million	10 million			

Abbreviations: FP = Funding Proposals, NAPs = National Adaptation Plans, PPF = Project Preparation Facility, SAP = Simplified Approval Process, MFS = Mobilizing Funds at Scale, REDD-plus = Reducing Emissions from Deforestation and Forest Degradation-plus.

Highlights of Proposed 2019 Budget

14. The proposed 2019 budget covers expenses related to the Board, the Interim Trustee, and the Secretariat. In total, the proposed 2019 budget represents a total increase of USD 9.0 million or 14 per cent over the approved 2018 budget. Approximately 77 per cent of the increase relates to the cost of the additional Secretariat positions approved by the Board at B.18; the budget assumes that 230 staff will be on board by 1 January 2019 and that the Secretariat will meet its goal of 250 by 30 June 2019. The remaining amount of USD 2.1 million comprises increases of USD 0.1 million for Board expenditures, USD 1.7 million for non-staffing costs in the Secretariat budget, and USD 0.3 million for additional interim Trustee costs.

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[1] Targets are based on the number of requests/proposals to be submitted to the GCF Board for approval during the year of 2019 while baseline is on the number of requests/proposals approved as at 31 August 2018 on a cumulative basis. Disbursed amounts for both baseline and targets are cumulative.

		2018 Approved at B.19	Draft 2019 Projection	Change in 2019 draft budget over approved 2018	% change
1	Board	3,337,045	3,437,156	100,111	3%
2	Secretariat	58,473,960	67,065,846	8,591,886	15%
3	Interim trustee	1,747,000	2,065,000	318,000	18%
	Grand total	**63,558,005**	**72,568,002**	**9,009,997**	**14%**

15.   An overview of the Secretariat budget is provided below:

Code	Budget Category/Sub-category	2018 Budget Approved at B.18	2019 Draft	Increase/ (Decrease)	% change
2.1.1	Full-time staff	38,037,342	44,948,077	6,910,735	18%
2.1.2	Consultancies	2,930,850	2,593,100	-337,750	(12)%
2.2.1	Travel	2,322,500	2,396,309	73,809	3%
2.2.2	Secretariat staff travel to attend Board meeting	275,834	284,109	8,275	3%
2.3.1	Office utility costs	309,000	280,000	(29,000)	(9%)
2.3.2	Contractual services	7,485,973	7,631,344	145,371	2%
2.3.3	Other Operating costs	489,250	1,137,840	648,590	133%
2.3.4	Communication and printing	1,063,018	1,568,000	504,982	48%
2.3.5	Information and communication technology	4,690,000	5,313,365	623,365	13%
2.3.6	Depreciation	870,193	913,703	43,510	5%
	Grand total	**58,473,960**	**67,065,846**	**8,591,886**	**15%**

16.   Consistent with the Board's directions, and taking into account the increase in the size of the Secretariat staff, efforts have been made to address the Secretariat's budget lines for consultancies, contractual services, and travel. In that regard, the 2019 Secretariat consultant budget request represents a reduction of over 49% relative to 2017 Secretariat consultant expenditures, and the proposed 2019 travel budget represents a reduction in travel expenditures of approximately 43% per staff member[2]. The increased operating cost relates primarily to the funding of the 2nd annual GCF Private Investment for Climate Conference, an increase in office supplies, International SOS, insurance related to increased staffing, and to an

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[2] 43% travel budget reduction calculated as: 2017: 164 staff, 3,087,000 actual travel spent for 2017 = $18,823/staff members. 2018: 2,680,418 with 250 staff = $10,722/staff).
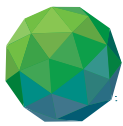
amount for new board members induction. Finally, the increase in the contractual services budget has been held to 2 percent. The full budget document in section IV of this document includes a detailed breakdown of staffing, consultancies, contractual services, travel, and common costs of each of the Secretariat's Divisions and Offices.

Annex I: Draft decision of the Board

The Board, having considered document GCF/B.21/19 titled "Work programme of the Secretariat for 2019 and administrative budget":

(a)   *Recognizes* that the work programme will help to guide the activities of the Secretariat during 2019;

(b)   *Approves* the work programme 2019 and the goals and suggested policy priorities set out therein, in accordance with paragraph 23(e) of the Governing Instrument for the GCF;

(c)   *Approves* an administrative budget for the Green Climate Fund for the period 1 January 2019 to 31 December 2019 in the amount of USD 72,568,002, which includes 30,278,395 in new funding, as well as the USD 42,289,607 for 2019 staff salaries and emoluments that was approved by the Board in Decision B.18/12; and

(d)   *Approves* also USD 48,517,729 for projected staff salaries and emoluments for 2021.

Annex I: Work Programme of the Secretariat for 2019 and administrative budget

I.   Introduction

1.   The Governing Instrument states that the purpose of the GCF is "to make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change." The climate change goal set by the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Paris in 2015 is: "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C". These key provisions help guide the work of the GCF and its Secretariat.

2.   Towards those ends, paragraph 23(e) of the Governing Instrument directs the Secretariat "to develop the work programme and annual administrative budget of the Secretariat and trustee and submit them for approval by the Board." This document is submitted in fulfilment of that requirement. It includes, on page 10, a draft decision for the Board to consider; in part IV, an administrative budget covering the Board, the Interim Trustee and the Secretariat, and in Appendix I, a results framework to support the Secretariat and the Board in assessing the Secretariat's progress on key work programme targets.

3.   The Secretariat will enter 2019 with a greatly enhanced capacity. Specifically, the Secretariat expects to have increased the number of staff that it has on board from 84 when the 2017 work programme was being developed, to 230 by the beginning of 2019. This increase in staffing, together with earlier and ongoing efforts to improve and streamline our delivery capability, have contributed to an immense growth in the capacity of the GCF to meet the goals established in both the GCF Governing Instrument and the Board's Initial Strategic Plan. In particular, the Secretariat expects the Fund to end the IRM period with a pipeline anticipating approximately USD 5b in GCF resources. Further, the Fund will be the beneficiary of an accelerating proposal submission trend line that includes the submission of over USD 2b in proposals in the last quarter alone, many of which are of increasing quality. Additionally, it will have grown its projects under implementation from one at the start of 2017 to 31 now. Finally, it will have enabled a current capacity for the GCF to generate and the Secretariat to process between USD 3.5b and USD 5b annually in funding proposals that the Secretariat believes are consistent with the Board's current funding guidance. In short, as the IRM period reaches its end, the Board has successfully established a Secretariat that is up and running at a significantly accelerating pace.

4.   That said, changing circumstances will make it difficult for the Fund to build on or even maintain its funding momentum. Specifically, 2019 will represent the first time in the GCF's history that the level of demand will exceed available funding, a situation not unlike for most, if not all funding institutions. The transition from a period of increased expectations to this year of relative funding scarcity will require consideration of a number of new issues. Specifically, and depending on the level of funding proposals approved at B.21, the Secretariat currently expects the residual commitment authority for 2019 proposals will allow for the submission of between USD 1.2 and 1.5b in new funding proposals to the Board. This would be at least a quarter less than the level we expect to have approved in 2018, and less than one half of the low end of GCFs current assessed capacity to process for Board consideration.

5.   The GCF is, however, focused on much more than approving new projects. As will be discussed in the work programme components that follow, 2019 will mark the beginning of a transition period that will take the Fund from the end of the Initial Resource Mobilization (IRM)

period, through the process for the first formal replenishment of the GCF, and toward a renewed and replenished focus on meeting the goals of the governing instrument and helping developing countries implement their agreed Paris Agreement related goals.

1.1   Fund level goals for 2019

6.   With that view in mind, the Secretariat has prepared five Fund level goals for 2019. These goals build on the Secretariat's 2017/2018 goals while integrating an additional focus on activities and priorities that have emerged as a result of the Fund's evolving stage of operation:

(a)   **Supporting the Board** in taking informed decisions, enhancing responsiveness to COP Guidance and preparing for Replenishment;

(b)   **Strengthening country ownership and NDA capacity** through enhanced delivery of readiness support and increased cross Secretariat engagement with both NDAs and DAEs;

(c)   **Strengthening efforts to assess and articulate the climate impact** of proposed GCF work in order to build a paradigm shifting portfolio;

(d)   **Operationalizing a proactive and strategic approach to programming,** including through the development of well-coordinated, strategic NAPs and country and entity work programmes and the development of a framework for a more formalized annual GCF pipeline and business plan; and

(e)   **Accelerating implementation and managing for results** by working to move an additional 44 approved projects and programmes into implementation, and effectively monitoring their progress in achieving key climate results.

7.   In many cases, the work programme discusses the nexus between the above noted goals and the Secretariat's projected 2019 work. Where relevant, it then links stated work with related lines in the budget and Key Performance Indicators (KPIs) included in the results framework found in Appendix I of the work programme. That results framework documents the results that the Secretariat expects to deliver in the implementation of the 2019 goals, and is designed to increase the transparency of accountability frameworks and facilitate the effective monitoring of progress toward the achievement of core Fund objectives.

8.   As the work of the GCF has grown, a detailed description of even the essential activities of the Secretariat is no longer practical. As a consequence, the work programme will focus on the Secretariat's expected 2019 initiatives and challenges in key programmatic and functional areas including: Readiness; Accreditation; GCF Funding Programmes; Project/Programme Implementation and Monitoring; Administration and Resource Management; Communications; Support for the Board; and, Risk, Audit and Legal support. In addition, it includes a section on GCF-wide challenges and initiatives. Finally, as in the 2018 work programme, this year's work programme generally presents the work of the Secretariat in an integrated manner. Where relevant, however, it more clearly defines the units involved with the many cross secretariat teams that will be working to deliver on 2019 initiatives.

II.   Highlights of 2019 Secretariat/Fund initiatives in key programmatic work areas

2.1   Readiness and Preparatory Support Programme and related integrated initiatives

9.   Broadly stated, the Readiness Programme aims to support country ownership and aligned GCF investments by strengthening the institutional capacities of NDAs or focal points (FPs) and direct access entities (DAEs) to enable them to prioritize and oversee the development and implementation of country-driven strategies and low-emission climate-resilient interventions. The success of the programme depends on its ability to support the establishment of strong, sustainable NDAs or FPs, as well as the development of strong country-owned programmes, strategic frameworks and policies. These key readiness deliverables constitute the first essential building blocks to enable countries to meet their nationally determined contributions (NDCs) and contribute to the adaptation and the below 2 °C goal of the UNFCCC and GCF. In this light, the Secretariat continues to believe that a well-operating readiness and preparatory support programme is sine qua non for the effective operation of GCF. As a result, one of the Secretariat's primary 2019 goals is strengthening country ownership and NDA capacity through enhanced delivery of readiness support and enhanced cross Secretariat engagement with NDAs and DAEs.

10.   The Readiness Programme enters 2019 with a view to presenting to B.22 a new Readiness 2.0 Programme plan that respond to both its historic experience and the recently released Independent Evaluation Unit review. That said, the Programme also enters 2019 with momentum from steps taken to implement its ambitious 2018 programme. In that regard, related initiatives are discussed below using the framework of the 5 key components of the Readiness Programme.

2.2   Establishing and Strengthening the capacity of National Designated Authorities (NDAs)/Focal Points (FPs)

11.   The country driven framework called for in the GCF Governing Instrument starts with the NDA or Focal Point designated by each country to represent their national interest in interactions with the GCF. The development of strong country programmes, strategic frameworks and pipelines of high-quality, high-impact projects depends on a fully informed NDA or FP with the resources necessary to engage national and local stakeholders and AEs in their country driven processes. Recognizing the importance of the NDA/FP position, the Governing Instrument called for the Fund to "provide resources for readiness and preparatory activities and technical assistance" "and for in-country institutional strengthening, including the strengthening of capacities for country coordination." The Board operationalized this mandate by developing the Readiness Programme, and in particular, agreeing to fund up to USD300k/year for establishing and strengthening NDAs or FPs. In addition, this year's work programme reinforces the importance of this pillar by including strengthening country ownership and NDA capacity among its primary goals.

12.   While the Readiness programme has now approved 197 grants covering 113 developing countries, over time, many NDAs have commented on their need for timely technical and longer term readiness support. Further, the 2018 initial Readiness Programme Review reported that NDAs were facing significant difficulty in applying for and obtaining this assistance. To address these issues, the Secretariat will be implementing a series of broad initiatives in 2019 that will, among other things, enable easier, more consistent, and expanded access to funding for NDA support. First, in order to limit administrative burden, maintain continuity, and enable the certainty needed to plan for long term efforts, the Secretariat will look toward facilitating the development and implementation of serial/tranched funding of multi-year NDA support plans. In addition, by early 2019, the Secretariat will have operationalized a system to bring more rapid response technical assistance to NDAs in support of country driven programming and development of scientifically supported, nationally consulted country programmes, policies, concept notes and project proposals. Additional support being added in 2019 will enhance

work in each of the GCFs results areas, and provide assistance targeted to meeting the Fund's ESS, Indigenous Peoples and Gender policy requirements. Further, and as it relates to gender requirements, the Secretariat will ensure that all projects have gender action plans with disaggregated data (KPI 3.5). Finally, during 2019, the Secretariat will develop a country and entity engagement strategy that will help focus and optimize cross Secretariat work to ensure that its assistance is as focused and productive as possible. Together, these 2019 initiatives should significantly enhance the delivery of essential Readiness support to NDAs and strengthen both country ownership and NDA capacity.

13.   Work on these programme specific and Secretariat wide initiatives will be supported by both staff resources covered in line 2.1.1 of the budget, as well as consultant and contractual services resources covered by lines 2.1.2 and 2.3.2 of the budget. Related results framework indicators are included in KPI 2.1.

2.3   Country Programming as a Strategic Framework for GCF pipeline development

14.   Country programmes are at the heart of the GCF country-driven approach. As stressed in the Board's Initial Strategic Plan, they are also critical to enabling the Fund to prioritize and plan its resources. Consistent with Board guidance, these planning documents are intended to include, inter alia, a country's strategic outlook, a plan for interaction with the GCF, and a prioritized list of project/programme ideas designed to advance implementation of national objectives in a manner consistent with the GCF's investment criteria and transformational goals.

15.   The Board's decision on Readiness allocated up to USD1M per year for a wide range of activities, only one part of which was the development of country programmes. As of B.20, over three years since country programme funding was initially made available, the GCF had only received 8 country programme submissions. During 2019, the Secretariat will use the quick-response and subject specific technical support initiatives noted in the context of NDA support above to both enhance the quality of strategic frameworks and shorten the timeframe for the submission of country programmes currently in process. In addition, enhanced quality will be supported through the participation of cross Secretariat teams in the review of country programme submissions.   Given this effort and the past three years of country programme funding, the Secretariat currently projects that by the end of 2019, it will have provide targeted support to expedite the development and completion of the country programmes of at least 50 countries. In addition, the Secretariat's outcome-based country programme goals for 2019 go beyond simply expanding the number of programmes supported and finalized, and move towards supporting their enhanced quality and strategic use by countries and the GCF by considering the degree to which country programme priorities are reflected in the project and proposal pipeline.

16.   Work to be carried out on strategic frameworks touches on components of several of the Secretariat goals for 2019 including strengthening country ownership, operationalizing a proactive and strategic approach to annual programming, and managing for results. Related work will utilize both Readiness and non-Readiness resources and will be supported by both Division of Country Programming and cross division teams funded through the staffing budget line (2.1.1). In addition, this work will be supported by the consultant and contractual services initiatives discussed in paragraph 12 above. The related results framework indicator is KPI 4.4.

2.4   Formulation of National Adaptation Plans and/or Other Planning Processes

17.　　Many view NAP funding in a similar light as that provided for country programmes; that said, the Board approved separate NAP and Country Programme funding frameworks that are dissimilar in several key respects. First, for NAPs, the Board decision allocates to each country a total of up to USD3m that is unrestricted in terms of time. This latter funding modality has enabled countries, working with delivery partners, to effectively plan and stage the implementation of their adaptation planning related work over a longer planning horizon. In implementing this framework, the Secretariat is using tranched funding which makes future payments contingent on agreed demonstrations of progress, thereby ensuring that Fund resources are only provided when they are needed and warranted.　This latter funding modality has also obviated the need for the NDA submission and Secretariat review of separate annual requests. Beyond funding, a second difference between country programmes and what is generically referred to as NAPs is that in addition to developing or enhancing a specific plan, the NAP funding generally goes to a much broader range of adaptation planning activities.　These often include the development of adaptation financing strategies and the development of a number of project concept notes. These and other NAP approved activities are often designed to establish and enable the sustainability of the national capacity needed to integrate adaptation planning into broader government strategies well after the GCF funding has been expended. GCF funded NAP activities also produce the evidence base crucial for articulating climate rationale that underpin financing strategies and project pipelines, including for project concepts and funding proposals to the GCF. For 2019, the Secretariat is targeting broadening support for the preparation of NAPs and/or enhancement of adaptation activities to an additional 25 countries with NAP funding of USD 62.5m (KPI 2.2).

2.5　Support for DAE Accreditation, Upgrading and accelerating Direct Access

18.　　Direct access to the GCF is one of the core operational modalities included in the Governing Instrument. As a consequence, the Readiness framework agreed by the Board in decisions B.8/11 and B.13/32 made DAE support one of the key pillars of the Readiness programme. In essence, the GCF supports direct access in three broad areas. First, the Secretariat will provide assistance to NDAs to help them identify potential entities for accreditation (including DAEs) that are capable of supporting change within their country to meet their national climate change objectives. Second, assistance is available to support prospective DAEs in their efforts to get accredited with the GCF. This support includes the conduct of institutional gap analysis of potential applicants against the fiduciary standards, ESS and gender requirements, and providing assistance to support applicant institutions to address identified gaps and gain GCF accreditation. Third, many Secretariat components support DAE efforts to address accreditation conditions and assist their efforts to prepare and submit strong concept notes, project preparation facility requests, and final funding proposals.　Finally, it includes efforts to strengthen their capacity in order, inter alia, to seek potential upgrades in their accreditation scope.

19.　　As regards efforts to support accreditation of DAEs, in decision B.14/08, paragraph (d), the Board decided to prioritize, inter alia, DAE applications in the prioritization of its accreditation application reviews. Since that decision was taken and up to its expiration at the end of B.20, 26 of the 35 entities (74 per cent) that have completed the first stage of accreditation review have been DAEs.　Also, 11 of the 35 entities are private sector entities, of which 7 are direct access and 4 are international access entities. In addition, 14 of the 18 entities (78 per cent) that have been recommended by the Accreditation Panel are DAEs and 2 are private sector entities. As a result, 32 of the 59 GCF AEs are now DAEs. The Secretariat expects to expand its accreditation related assistance in 2019 to increase to 51 the number of DAEs that will be accredited to do business with the GCF (KPI 2.4) and increase the role of

private sector entities. As discussed further below, such assistance could be expanded further if the Board were to approve the project specific accreditation approach pilot proposed by the Secretariat.

20.   The growth in DAEs leads the Secretariat to project a significant increase in its DAE work during 2019, particularly in the areas of supporting new and existing applications through the accreditation process, and in supporting DAEs in the development of entity work programmes, concept notes and funding proposals, in finalizing legal agreements (AMAs) addressing accreditation conditions; and in accessing readiness support for further capacity strengthening. As regards funding proposals, and taking into account the request of the UNFCCC COP in decision 10/CP.22, the Secretariat presented to B.20 an analysis of the challenges, barriers, gaps and recommendations to achieve an increase in the amount of direct access proposals in the pipeline. Consistent with that document, the Secretariat will undertake a number of initiatives in 2019 to increase DAE proposals in the pipeline. First, as noted above, it will deploy technical advisors with an expertise in agriculture, ecosystem, water, land use, energy efficiency, and renewable energy to help DAEs develop strong concept notes and proposals that are consistent with GCF mandates. These advisors will be readily available to provide no-cost support to DAEs in coordination with NDAs. The Secretariat will also support DAE capacity enhancement by working to promote the twinning of DAEs with international AEs. In addition, direct targeted support will be provided through strategic engagement with cross Secretariat support teams. That work will, in part, focus on advancing new DAE funding submissions, including those that were initiated in discussions during the 2018 Empowering Direct Access workshop. Finally, building on the success and lessons learned from the 2018 Direct Access Workshop, the Secretariat will sponsor another direct access workshop in 2019, and during the year, will also promote additional peer to peer learning through webinars.

21.   Work with DAEs, including that discussed above is undertaken through the three major budget lines supporting the Secretariat which cover full time staff (2.1.1), consultancies (2.1.2), and contractual services (2.3.2). The proposed results framework KPIs relevant to this important function are in KPIs 2.3, 4.5, 4.7 and 5.1.

2.6   Information Sharing, Experience Exchange and Learning

22.   A hallmark information sharing activity of the Secretariat, and one of the significant initiatives identified in the Action Plan of the Board's Strategic Plan was facilitating and supporting structured dialogues in each region. These dialogues bring together the Secretariat, NDAs, relevant AEs, and other country stakeholders, including the private sector. The goals of these dialogues include enhancing stakeholder understanding of the Fund's framework, supporting NDA identification of appropriate AE partners, and helping both NDAs and AEs to design programming that meets both the needs of the country and the investment criteria of the GCF. Since 2016, the Secretariat has held annual structured dialogues in each of Latin America, the Caribbean, Africa, Eastern Europe, Central Asia, Asia, and the Pacific regions, and the demand for this work has grown. Beyond reported appreciation for the dialogues, the Secretariat believes that they have contributed to both increased NDA capacity and to the observed increase in the submission of concept notes and project proposals.

23.   In 2019, the Secretariat expects to hold 4 regional structured dialogues, one Structured Dialogue with SIDS, one Global NDA Conference, one Private Investment for Climate Conference, and, as noted above, one DAE Workshop (KPI 4.7). In addition, and building on both lessons learned from past dialogues and feedback received through evaluations, the dialogues and events will be structured in a manner that reduces their process orientation and focuses more on technical content and the sharing of experiences between participants. Structured dialogues will also be more specifically tailored to address the priority issues identified in each region.

Given the large variety of NDAs and AEs that attend these dialogues, the Secretariat leverages these meetings through the deployment of cross Secretariat teams of experts. That said, and as noted during B.20, the structured dialogues and related travel have put a strain on both the Secretariat's capacity and its travel budget, and as travel resources are decreased, the Secretariat may have to explore other avenues for regional engagement, and strive to ensure a productive balance between support for regional Structured Dialogues and need to respond to country demands for national engagement.

24. In that regard, by decision B.12/32, the Board requested the Secretariat to provide updates on the development of regional hubs to provide support to NDAs, AEs and partner countries. As noted in the Secretariat's 2017 and 2018 work programmes, the Secretariat has long expressed the view that it would be most efficient and beneficial to establish formalized regional hubs staffed with fully connected GCF staff to support the delivery of support. Toward that view, a GCF staff person has recently been deployed to the Caribbean on a pilot basis as a first regional representative, and the Secretariat will report back to the Board on the emerging experience with this new support modality. In the meantime, and given both the increasing requests for regional support and the findings of the initial programme review, the revised 2018 work programme included a proposal for the Secretariat to issue a request for proposal (RFP) designed to hire an entity or entities to formally organize a regional network or networks of NDAs and support their operation through regionally based expertise. As it relates to this recommendation, the mandate of such networks would include, among other things, enhancement of peer-to-peer learning and technology transfer, as well as support for an increased number of regional dialogues in which varied topics of regional interest to both NDAs and direct access entities would be discussed. The Secretariat will consider both its emerging experience with regional deployment and the possibility of an RFP in charting a path forward in 2019.

25. In addition, and taking into account the findings of the initial readiness programme review, the Secretariat intends during 2019 to build country capacity and expand its reach by increasing its knowledge sharing activities. Among the initiatives that are now certain, the Secretariat will make more presentations available on its website in both a written and video format, and, as essential, in multiple languages. Also, during 2019, the Secretariat will be initiating a number of new web platforms designed to disseminate information and facilitate the exchange of ideas.

26. Work related to structured dialogues and knowledge sharing supports almost all of the 2019 Secretariat goals, and is funded by cross Secretariat staff resources coming from budget line 2.1.1, as well as consultancies and contractual services covered by budget lines 2.1.2 and 2.3.2 respectively. In addition, given their leveraging potential and wide ranging focus, the structured dialogues and knowledge sharing support take up a notable portion of the Secretariat's travel budget funded by budget line 2.2.1.

2.7   GCF Accreditation

27. Since the opening of the call for applications for accreditation in November 2014 and up to 31 August 2019, 287 entities have been issued with accounts on the online accreditation system (OAS). This represents an increase of 92 entities seeking accreditation in the last 12 months, demonstrating that there is a continuing interest in exploring accreditation to work with the GCF. Not all of those 287 OAS account holders, however, have completed or are likely to complete applications. As of 31 August 2018 the Secretariat had received a total of 174 applications. To date, 59 have been formally granted AE status including 32 of which (54%) are DAEs and 8 of which 14% are private sector. In addition, 16 accreditation applications and one upgrade application are being recommended for Board approval at B21. This leaves the GCF

with a backlog of 99 applications that are in various stages of review. Specifically, 85 are undergoing a completeness check and 14 are under the review of the Accreditation Panel.

28.   The Board's decisions on a prioritization of accreditation applications expired at the end of B.20,[1] resulting in a default to the first-come first-complete process. The Secretariat will submit to B.21 a proposal on prioritization for Board consideration, and should the Board adopt a new priority approach, the Secretariat will implement it in the year ahead. The Secretariat aims, in the meantime, to continue completing the Stage I reviews of entities that contribute to the achievement of a balance of diversity, including equitable representation of different geographical or regional areas, in line with decision B.10/06, paragraph (h) [2].

29.   In addition, and consistent with decision B.18/4, the Secretariat is submitting to B.21 a revised proposal that would initiate a pilot project specific accreditation approach aimed at small or micro activities falling under the Simplified Approval Process Pilot or one of the RFPs issued by the GCF. The proposed programme would streamline the existing accreditation process by combining the review of the entity with the second level due diligence assessment of the specific activity being proposed. This would enable a coherent integration into a single streamlined assessment of the GCF's fiduciary principles and standards, environmental and social safeguards and gender policy, and operational policies and procedures relevant to the proposed project/programme. It would also enable a focus on assessing the project/programme as well as the entity's ability to implement that proposed project/programme. In doing so, it aims to provide a more fit-for-purpose assessment of the entity in the context of the specific programme being considered. This would broaden access to entities for which the existing, institution-wide accreditation approach does not as readily respond. It could also help unclog the accreditation pipeline, allowing that process to focus on entities that intend to serve as long-term partners of the GCF.

30.   An additional issue related to this proposal is worthy of consideration, as it has broad implications for the 2019 work programme and indeed, the operation of a key Fund project development modality. As will be illustrated in sections 2.10.2, .3, .5 and .6 of the work programme below, the Secretariat's use of the targeted RFP modality has been much less successful than hoped. One reason for this relates to the need for a related concept note finalist to either be accredited to implement its project, or work with or through an already accredited entity. Even with the prioritization previously agreed, the full accreditation process is a long one, so in many cases, accreditation under the current system is not a viable option for new concept note submitters. In addition, new concept note submitters have found it hard to partner with existing AEs, as those AEs are predisposed to working on their own projects, rather than working on projects developed by others. The Secretariat holds that the pilot programme proposed could help to address this problem. In that regard, if the pilot programme were agreed by the Board at B.21, the Secretariat projects that it would be able to process several more entities through a project-specific institutional assessment for 2019. If no related decision is taken, the Secretariat expects to work through its backlog and process the AE applications of 99 entities received up to 1 September 2018 during 2019.

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[1] In decision B.19/13, the Board decided to "extend the prioritization of entities applying for accreditation in accordance with decision B.14/08, paragraph (d)(i), until the end of the twentieth meeting of the Board". Prioritized entities included national DAEs, entities in the Asia-Pacific and Eastern European regions, private sector entities, and entities responding to RFPs.

[2] Decision B.10/06, paragraph (h) states that the Board "also decides that, recalling decision B.06/06 and pursuant to decision B.09/07, paragraph (g), the Secretariat will actively support applications for accreditation received from subnational, national and regional public and private sector entities in order to ensure a balance of diversity, including between entities under the direct access and international access modalities, in the list of entities being considered for accreditation by the Board."

31.   In addition to considering accreditation, the Secretariat must also turn to the issue of re-accreditation. The first entities accredited by the GCF were accredited in decision B.09/07 in March 2015. With an accreditation period of five years,[3] the re-accreditation process of these first entities would be starting in 2019 and 2020. The Secretariat and Accreditation Panel (AP) are currently developing a process for re-accreditation. The re-accreditation process would take into account Board decisions on factors to be taken into account at re-accreditation, such as those on the accreditation framework and fit-for-purpose approach;[4] engagement with GCF, particularly reflected through reporting requirements at the institutional level; and, the Secretariat and AP's assessment of the extent to which the AEs overall portfolio of activities beyond those funded by the GCF has evolved relative to baselines to be established. In terms of accreditation activities in 2019, it is expected that these annual self-assessment reviews, mid-term reviews and re-accreditation activities for the Secretariat and the Accreditation Panel will increase in relation to other accreditation work, such as processing new applications and addressing AEs' conditions of accreditation.

32.   Accreditation and re-accreditation related work supports implementation of a number of Secretariat goal components including managing for results, strengthening country ownership, and building a paradigm shifting portfolio. Work is undertaken through the use of funds from budget lines covering full time staff (2.1.1), as well as those supporting consultancies and contractual services (2.1.2 and 2.3.2 respectively.) The proposed results framework includes several KPIs relevant to this important function including KPIs 2.4 and 5.1.

2.8   Project Preparation Facility

33.   The PPF, authorized at B.11, was targeted at small- scale activities and DAEs. As agreed through decision B.13/21, the Board made USD 40 million available to the PPF to support project and programme preparation requests from all AEs, especially DAEs, and especially for projects in the micro-to-small size category with a view to enhancing the balance and diversity of the project pipeline. The PPF is still relatively new, and over 2018, the Secretariat worked to sharpen guidance and rationalize related processes to enable more timely decisions and disbursements. As a result, the Secretariat is currently processing a pipeline of 37 active PPF applications with associated project concepts and No-Objection Letters from the respective NDAs.[5] As at 31 August 2018, 12 PPF applications have been approved an additional 3 endorsed to strengthen project/programme concepts into full funding proposals. One approved PPF application has been successfully completed and provided the basis for a funding proposal submitted by the Ministry of National Resources of Rwanda which was approved at B.19 on 1 March 2018. The Secretariat is projecting an additional 10-15 PPF applications approved in the remainder of 2018 with a related disbursement of USD12m by the end of the year, and an additional 32 approved and up to USD20m disbursed in 2019.

34.   However, numbers of reviews and approvals are not in themselves substantive outputs. In that regard, the Secretariat believes that as the PPF gains momentum, related funding will lead to a significant increase in the number and diversity of high-quality GCF-aligned funding proposals that are submitted to the GCF. Given the lag time between PPF funding to strengthen project/programme concepts and the submission of related proposals, however, this assumption has yet to be proven. It is also noteworthy that PPF grants, repayable grants, or equity are only provided after a project or programme Concept Note has been cleared for project preparation support based on GCF investment criteria. Therefore, the number of PPF

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[3] Annex I to decision B.07/02.
[4] Decision B.08/02.
[5]An additional 19 PPF applications were previously submitted which have either been officially withdrawn by AEs or NDAs, or otherwise gone dormant with no correspondence from AEs or NDAs for over 6 months.

applications that can be approved depend directly on submission and clearance of high potential Concept Notes. To help address this, technical assistance and training will be increasingly provided with partners to DAEs in the development of high impact potential project concepts associated wth PPF applications. In the meantime, annual work programme reports to the Board will include an analysis of indicators such as: the percentage and speed of PPF applications approved once their associated project concepts are cleared for project preparation support; percentage and speed of approved PPF applications disbursed; the number and percentage of funding proposals submitted and approved that have benefited from PPF support; the number and extent of products produced with PPF support that have contributed to funding proposals; the degree to which PPF applications align with existing or amended country programmes and entity work programmes; the expected climate benefits of related projects; the degree to which PPF applications align with existing country programmes and entity work programmes; and the expected climate benefits of related projects.

35.   One issue that might usefully be considered by the Board in 2019 is the range of AEs that should be supported by the PPF. Specifically, decision B.13/21 indicates that the PPF is open to applications from all AEs, but especially DAEs. Of the 37 active PPF applications, to date 23 PPF applications (representing 60% of the total) have been submitted by 11 different DAEs, while 15 active applications (representing 40% of the total) have been submitted by 8 different international AEs; the current dollar value of approved PPF applications is 74% for DAEs and 26% for international AEs. It is also noteworthy that 19 of the withdrawn or dormant PPF applications, 15 were from international AEs and only 4 were from DAEs.

36.   One of the barriers to increased numbers of PPF applications approved is the varied pace and quality of project concepts, especially from DAEs. To help DAEs overcome this barrier, the Secretariat is providing limited upstream technical assistance to DAEs upon their request for strengthening their Concept Notes and associated PPF applications. Furthermore, the Secretariat is enlisting the support and resources of technical partners in collaborating in the thematic specific training to DAEs on project preparation, with little or no cost implementation to the GCF. In addition, the Secretariat is creating an option for DAEs to receive specialized project preparation support procured directly by the Secretariat. Finally, the Secretariat will deepen external guidance on project preparation and accessing the PPF.

37.   PPF work touches on a number of Secretariat goal components including strengthening country ownership, and strengthening efforts to assess and articulate the climate impact of proposals in order to build a paradigm shifting portfolio. PPF work will be supported by both Readiness and Secretariat wide staff (budget line 2.1.1) as well as by consultants and contractual services (lines 2.1.2 and 2.3.2). This work links to results framework includes KPI 4.6.

2.9   Sustainability (Safeguards, Gender and Indigenous Peoples)

38.   As mandated by the Governing Instrument, the Secretariat works to ensure that environmental and social concerns, including indigenous peoples and gender equality, are integrated into the activities supported by the GCF. In 2018, the Board in its decision B19/10, affirmed the Environmental and Social Management System (ESMS) and adopted the Environmental and Social Policy. This function of the DCP aligns with the Secretariat's goal of accelerating implementation and managing results.

39.   Work in 2018 has focused on the establishment of the ESMS and the development and implementation of the policies. For 2019, further work on the ESMS will need to be done, particularly in developing policy implementation guidelines, procedures, guidance and tools that will help in integrating safeguards, gender equality and indigenous peoples concerns in GCF activities. This work will be supported by both GCF staff and enhanced advisory services on the

application of safeguards, Gender Policy and Indigenous Peoples Policy. Activities dovetailed to Secretariat-led dialogues will be undertaken to develop capacities and raise overall awareness on ESMS and the policies of countries and accredited entities.

2.10 GCF Funding Programmes

2.10.1. Concept note programming for 2019

40. In accordance with current procedures, AEs or intermediaries have an option of submitting a concept note to the Secretariat with a view to verifying whether the project/programme concept they are considering is broadly aligned with key GCF guidance including the GCF investment and results management framework, ESS, gender policy and transformational goals. The Secretariat continues to believe that concept notes could play an increasingly valuable role in early screening. Further, in a time of scarcer resources, concept notes can help direct more limited GCF and AE resources toward the full development and submission of the high-quality transformational proposals that the Board has called for, and help can facilitate better GCF planning.

41. Toward that end, the Secretariat has issued a new simplified concept note template to make it more focused, easier to use and review, and of greater value in ensuring alignment with the GCF transformational goals. These and other changes have resulted in a significant increase in the number of concept notes being submitted; at 1 September 2018, the number of concept notes stands at 192 including 123 public sector, 53 private sector and 16 PPP. These notes provisionally imply the need for over USD 10b in GCF funding.

42. During 2019, the Secretariat expects a few specific factors to result in an increase in the level of concept notes submissions. First, the extensive work being undertaken in the context of NAPs and Country Programmes is very likely to drive an increase in submissions. Second, as AEs understand the more limited nature of GCF resources, they are likely to revert to the initial use of concept notes in an effort to optimize their project development resources. Finally, and to encourage these efforts further, the Secretariat has a 2019 goal of ensuring that submitters are sent initial substantive feedback within 30 days of their concept note submissions.

43. Concept note work supports the Secretariat goal component related to building a paradigm shifting portfolio, and is supported by both full time staff (budget line 2.1.1) and by consultants and contractual services (budget lines 2.1.2 and 2.3.2). Relevant KPIs include KPI 4.2, and moving forward, related goals will involve consideration of the quality of the notes, as well as their numbers.

2.10.2. Enhanced direct access (EDA) pilot programme

44. At its tenth meeting (B.10), the Board agreed to an initial allocation of up to USD 200 million for at least 10 EDA pilot projects, including at least 4 to be implemented in Small Island developing States, the least developed countries and African States. Based on the Board's direction, in June 2016, the Secretariat launched a request for EDA concept notes. As at 31 August, 2018, 2 EDA projects with a total volume of USD 30 million have been approved by the Board. The current EDA pipeline includes 2 funding proposals and 8 concept notes, of which 1 has requested support from the Project Preparation Facility (PPF). The majority of those were submitted in 2016-2017, with only 1 new submission in 2018.

45. The Secretariat is planning to undertake a range of actions related to EDA in 2019, with the objective to both increase the EDA pipeline, and deliver projects already in the current pipeline for consideration by the Board in the early 2020, prior to the review of the Pilot

Phase.[6]   Specifically, the Secretariat will work to address the limitations of the EDA Pilot scheme, considering, in particular, the specialized fiduciary standards applicable to DAEs under the EDA, its specific institutional arrangements for project approval and other criteria; these EDA components currently make it challenging for majority of accredited DAEs to participate in the pilot scheme, even though, to date, a total of 72 DAEs in the current accreditation pipeline (including accredited DAEs) are eligible to apply for EDA. In addition, the Secretariat considers that adoption of the proposed project specific accreditation approach (as defined in document GCF/B.20/17) would allow more DAEs to submit EDA funding proposals to the GCF.

46.   Additional efforts to promote the EDA pilot include active outreach to potential entities with the view to providing targeted support in developing EDA proposals, e.g. through the PPF. The GCF will also continue to promote the benefits of the EDA pilot, including through the possible launch of a second call for EDA proposals, targeted webinars, trainings and developing EDA guidelines. Finally, the Secretariat will make improvements to the EDA pilot to attract further submissions from DAEs; this will include the revision and clarification of the terms of reference for the Board's consideration.

47.   In accordance with the current Terms of Reference of the EDA, each approved pilot is to be reviewed by the Fund two years after its approval. Accordingly, the Secretariat will undertake the review of FP024 (EIF Namibia), approved at B.14, and present its findings to the Board in early 2019. In addition, the Secretariat will start the mid-term evaluation of the programme called for in its terms of reference, and share the lessons learned with the Board and others.

2.10.3.   REDD-plus Programme

48.   In response to the UNFCCC REDD-plus guidance, the Board, through decision B.18/07allocated USD 500m for an approved RFP for the REDD-plus pilot programme for USD 500 million. In accordance with that RFP, the programme was to initially encompass two stages: in the first stage, Concept Notes are received by the GCF on a rolling basis, allowing any interested countries to apply. In the second stage, countries that were notified of their eligibility were invited to submit a Funding Proposal to the GCF. The Secretariat will present two REDD plus proposals to B.21, and based on work with countries and concept notes received, the Secretariat currently projects that at least 2 more proposals may be submitted in 2019 at an estimated value of up to USD 150m (KPI 4.3). Notably, the REDD-plus results-based payments pilot has motivated private sector interest on REDD-plus investments. In that sense, the secretariat is also discussing two private sector proposals that build on the procedures approved by the board on the pilot programme for REDD-plus results-based payments with the expectation to be presented for board consideration in early 2019. Related work will be performed primarily by Secretariat staff funded by budget line 2.1.1

2.10.4.   Simplified Approval Process (SAP)

49.   Through decision 18/6, the Board approved a pilot simplified approval process scheme with the objective of applying best practices to reduce the time and effort needed in the preparation, review, approval and disbursement procedures. This pilot is to be used for approval of transformational projects or programmes that are ready for scaling up, involve a GCF contribution of up to USD 10 million; and have an environmental and social risk and impact classified as minimal to none.

50.   At 31 August 2018, the SAP portfolio consists of one approved funding proposal. The SAP pipeline consisted of a total of 24 public and private sector concept notes and funding

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[6] Paragraph 28 of the Terms of Reference of Enhanced Direct Access Pilot phase, Annex I, Decision B.10/04.

proposals, with a total requested GCF funding of USD 217 million and almost USD 360 million of total finance, when taking co-financing into account. 59 per cent of the requested GCF funding is from DAEs and NDAs.

51. Since B.20 the SAP pipeline is rapidly growing and a steep increase of SAP submissions is expected throughout 2019. This is the result of the outreach and capacity development delivered to the NDAs and AEs on SAP. The goal set for 2019 is to bring to the Board 5 to 10 SAP funding proposals for a total value of USD 50-100M. At least 50% of this SAP funding proposals should be submitted by Direct Access Entities.

52. As called for by the Board's SAP decision, in 2019, the Secretariat will focus on providing technical assistance to the AEs, and in particular DAEs to develop high-quality SAP proposals in a shorter period of time. Related Secretariat work will include the development of SAP training materials, guidelines, etools, and an online submission system. Training will also be provided in face-to-face workshops and during the GCF structured dialogues and other events. In addition, consistent with the Board's SAP decision, the Secretariat will develop a review of the programme once the trigger of USD 80M of approved SAP proposals is met (likely by B.22).

53. SAP work will be led and coordinated by a unit supported by full time staff (budget line 2.1.1) as well as by consultants and contractual services (budget lines 2.1.2 and 2.3.2). Related work touches on key Secretariat goals of managing for results and building a paradigm shifting portfolio, and is covered by KPI 4.3.

2.10.5. Micro-, small- and medium-sized enterprises (MSME) pilot programme

54. At its tenth meeting, the Board established an MSME pilot programme with a view to encouraging private-sector investment in support of MSME climate activities, and at B.13, the Board reviewed and authorized the Secretariat to issue an initial RFP aimed at soliciting up to USD 100 million in proposals from AEs and potential AEs. In response to that initial RFP, the Secretariat received 30 concept notes from existing and potential AEs as well as financial institutions to work with AEs. It shortlisted seven concept notes based on the RFP evaluation criteria and invited the submitters to develop full funding proposals. To date three projects have been approved, of which one has lapsed. The Secretariat may seek approval from the Board to release the second tranche of the pilot MSME programme after closing the first pilot. Related work would be performed primarily by Secretariat staff funded by budget line 2.1.1.

2.10.6. Mobilizing funding at scale/Pitch for the Planet programme

55. The Board, in decision B.16/03, paragraph (a), requested the Secretariat to issue the RFP to solicit responses from AEs and potential AEs to establish and manage pilot programmes for mobilizing funds at scale. Toward that end, the Board decided to allocate up to USD 500 million over the course of the initial mobilization period for this programme. The Board also decided to consider proposals submitted under this RFP as part of the wider portfolio of the GCF, and through the same modalities as standard proposals. In response to the RFP, the Secretariat received 350 concept notes. In response to the initial RFP MFS, the Secretariat received 350 concept notes from existing and potential AEs, and the Secretariat shortlisted the top 30 concept notes based on their quality. A major challenge in bringing shortlisted projects to the Board remains securing accreditation. The Secretariat currently projects the submission of up to 3 MSF proposals to the Board in 2019 with a value of up to USD178m (KPI 4.3). Related work would be performed primarily by Secretariat staff funded by budget line 2.2.1.

2.11 Administration and resource management

56.   The administration and resource management function of the Secretariat encompasses a wide range of activities that are critical in enabling the Fund to carry out its daily activities with efficiency and financial integrity. Activities under the broad heading of administration and resource management include: resource mobilization and management, administration, procurement, the treasury function, and human resources. Highlights of some of the 2019 initiatives in these areas of work are discussed below.

2.11.1.   Resource mobilization/Management

57.   In terms of resource mobilization, the Secretariat will continue its effort to advance work on policies and procedures for accepting contributions from philanthropic foundations and other non-public alternative sources. The Secretariat continues to believe that these sources can play a role in the evolving funding environment of the GCF.   In terms of resource management, under the guidance of the Board, the Secretariat will manage the remaining commitment authority and resources for the remainder of the IRM period with a view to managing the GCF pipeline to balance commitments and diversity among AEs and across the initial results areas of the GCF. Further, the Secretariat will process the procedure to select the Permanent Trustee in a timely manner under the guidance of the Board and the Ad-hoc Trustee Selection Committee. Related work will be done with Secretariat staff resources using funds provided in line 2.1.1 of the Secretariat budget.

2.11.2.   Administration

58.   During 2019, the Secretariat will update the GCF Business Continuity Plan (BCP) and the GCF Emergency Evacuation Plan. In addition, it will continue to monitor security risks in the countries and region that GCF staff travel to. Finally, for 2019, the GCF will develop its general Administrative Instructions on Safety and Security which will set out the general obligations of the GCF and outline the concepts and principles which will guide decisions related to safety and security of the GCF and its personnel. As global issues evolve, related activities become more and more critical. On the more prosaic side, the Secretariat will also work to both secure adequate office space and to optimize that space to enhance the effectiveness and efficiency of the Secretariat's operation.

2.11.3.   Treasury function

59.   The Treasury function seeks to ensure the protection of the GCF assets and adequate cash flow/liquidity. As a result, during 2019, the Secretariat will work to improve its cash flow management system by adding more sophisticated modules such as Bloomberg system functions to cover market data. In addition, in order to build a paradigm-shifting portfolio, the Secretariat needs to protect the cash resource and enhance the investment return. A new cash investment plan will be developed, and target asset allocations will be given for the Trustee to manage the cash investment portfolio more efficiently. Under the guidance of the Board, an FX hedging strategy will be prepared to protect GCF's assets and to make paradigm-shifting local currency disbursement.

2.11.4.   Managing Human Resources (HR)

60.   During 2018 the Secretariat's HR team worked to help formalize the new Secretariat structure and meet the hiring goal approved by the Board in decision 18/11. Beyond managing the preparation of position descriptions and facilitating the mobilization of applications and scheduling the interviews necessary to hire good staff to meet the Secretariat's needs, HR will continue to focus during 2019 on efforts to effectively on board and acclimate new staff to both work life in the Secretariat and home life in Songdo.

61.   In parallel with this focus on hiring new staff (KPI 6.3), 2019 will see an enhancement of Secretariat efforts to promote learning and development for all Secretariat staff. This will be done at the organizational level to ensure the capacity of the organization is sufficient and continually developing, and at the individual level to support career and professional development, which in turn promotes staff engagement and retention. Toward that end, the Secretariat will design and implement an organizational 2019 Learning and Training Plan which will enhance opportunities for interdivisional training and consider mandatory on-line training on issues fundamental to the GCFs effective operation including conflict of interest, staff safety, harassment, and the GCFs environmental and social, indigenous peoples, and gender polices.

62.   The Secretariat will also have significant work to do during 2019 to optimize its HR procedures. The Secretariat was initially set up with the HR procedures and guidelines of a major MDB, and no HR systems. Since that time substantial progress has been made implementing initial procedures and IT systems. The Secretariat hopes that those initial procedures will be advanced through the Board agreement on a new Code of Conduct for the Secretariat that will be submitted to B.21, and in 2019, by the Board approval of newly proposed HR Regulations and Rules. Finally, the Secretariat will work in 2019 to complete the job evaluation and salary survey projects and develop and implement new IT systems for managing staff benefits.

2.11.5. Procurement

63.   The procurement function of the Secretariat has grown from two people in 2017 to a seven-person team, and the procurement function now includes travel services as well as recruitment of individual consultants. During 2019 the Secretariat will work to synthesize lessons learned and implement a procurement improvement plan. This will include scheduling periodic briefings with the Secretariat's Senior Management team and its staff to discuss and resolve observed bottlenecks. It will also include efforts to streamline procurement procedures to enhance efficiency and effectiveness, strengthen procurement support for the growing number of Readiness activities, enhance work flow management by moving from remaining manual systems to more efficiently designed ICT systems; implement sustainable procurement practices; and, develop and implement a comprehensive Administrative Instructions and Standard Operating Procedures (and possibly a management system) for Individual Consultant management. In addition, the Secretariat will submit revised Procurement Administrative Guidelines which were postponed by the Board in 2018. Finally, in collaboration with the new travel agent, new technologies will be customized to GCF's needs and introduced to GCF travellers, such as Online Booking Tool (OBT) and travel organizer app for mobile phone. OBT will let travellers choose flights and accommodation in accordance with the travel policy, and all travel information including flight itinerary, hotel reservation details, weather, flight status update, etc. will be available in the travel organizer app for travellers' easier reference.

2.12 Communications and outreach - Enhancing the Fund's global profile

64.   Communications and outreach underpin the operational activities of GCF, whether promoting engagement, enhancing impact, or reporting on implementation and results. During 2019, the Secretariat will reach out to Board members and communities of practice in an effort to enhance its initial work on develop a communications strategy and related workplan so that a new version can be submitted for Board consideration during the year (KPI 5.6).

65.   The Secretariat will work to develop products aimed at increasing a global understanding of the GCF's activities and results. Communications on the impact of projects and programmes under implementation will be enhanced through the development of new thematic materials, and by collaboration with accredited entities (AEs). Activities will focus on explaining

how these projects are contributing to the realization of the GCF mandate, promoting replication of successful initiatives, and supporting countries in delivering on their nationally determined contribution ambitions. Outputs will include new video and multi-media materials, as well as facilitated media coverage of project implementation, supported through a travel bursary scheme aimed particularly at developing country journalists. Communications is also expected to assume a central role in progressing GCF replenishment once this process is initiated by the Board. The Secretariat will stand ready to prepare a replenishment related communications plan and additional replenishment oriented communications tools should the Board request such work.

66.   Communication materials will also be created to help explain to stakeholders and partners how to engage with GCF. These will include the creation of promotional materials to explain processes such as accreditation, readiness and preparatory support, and access to funding including through the simplified approval process, as well as further materials explaining GCF policies and standards. Improvements will also be introduced to the website relating to accessibility of information (including access to Board documents). The GCF 101 guide for stakeholders will be updated, and other communications products such as the Private Sector Facility brochure will be revised. Communications plans will be developed to support structured dialogue meetings in 2019, as well as for other major GCF workshops and seminars. These plans will include the creation of webpages as focal points for events, the creation of branding and promotional materials, issuing news and press releases to promote the events and their outcomes, and promotion via social media channels. Communications efforts will also be scaled up in the area of outreach to the private sector. Finally, communications is also expected to assume a central role in supporting GCF replenishment once this process is initiated by the Board. The Secretariat will stand ready to prepare a replenishment related communications plan and additional replenishment oriented communications tools including reporting to contributors on the use of resources provided during the IRM, as well as communicating GCF's vision for the first replenishment period.

67.   Finally, in 2019 GCF will organise a stakeholder engagement forum to promote dialogue with civil society representatives at the international, regional and national levels, as well as to amplify messages in partnership with like-minded organizations. This event will convene as a half-day forum possibly immediately following a board meeting, and will engage stakeholders including governments, civil society organizations, academia and media to create a platform for engagement with GCF.

68.   Communications work supports a broad range of Secretariat goals, and is developed at the direction of Secretariat staff and with the assistance of, as necessary, consultants or contractual services.

2.13   Support for Board and Co-Chairs, and executing arrangements between the GCF and the COP

69.   A key 2019 priority of the Secretariat will be to work in supporting a smooth transition for new Board members, as well as the new Board co-chairs. Additional Board related priorities will include helping to resolve issues related to standardizing practices, such as intersessional work and support the relationship with the independent units. In addition, the Secretariat will work on executing the arrangements between the GCF and the COP, including the implementation of COP guidance, ensuring GCF reports are prepared for the COP, and ensuring adequate presence in the UNFCCC process and climate policy events, particularly in the context of the replenishment process. Related work is generally undertaken by full time staff (budget lines 2.1.1), with travel support as necessary (budget line 2.2.0). KPIs 1.1 and 1.2 cover related issues.

2.14   GCF engagement with the UNFCCC and addressing COP guidance

70.   In 2019 the Secretariat will continue to strengthen its engagement with the UNFCCC in order to ensure representation and visibility of the GCF, as well as a high level information-sharing between the UNFCCC and GCF. This will include active and high-level engagement at the meetings of the Subsidiary Bodies (SBs) and at COP 25 in 2019. The Secretariat will continue to engage, guided by the Governing Instrument and relevant Board decisions with constituted bodies under the UNFCCCC and provide technical inputs to the work of: the Standing Committee of Finance, the Adaptation Committee, the Paris Committee on Capacity-Building, the Least Developed Countries Expert Group, the Technology Mechanism, and the Warsaw International Mechanism for Loss and Damage. Following the practice of 2016 and 2017, the Secretariat will also organise the 4th Thematic Dialogue with the constituted bodies in the margins of COP25 to enhance information-sharing and collaboration. In addition to collaboration with UNFCCC constituted bodies, the GCF secretariat has also enhanced its dialogue and interaction with the UNFCCC Secretariat, particularly through a staff exchange inititiave and on ideas such as communication and outreach, country support, and collaboration on technical and cross-cutting themes such as technology, REDD+, NAPs. In 2019 the Secretariat will continue to ensure that the GCF addresses guidance received by the COP in a transparent and timely manner. The progress on COP guidance will be reported to COP25 in the eight report of the GCF to the COP prepared by the Secretariat and approved by the Board.   Performance indicators related to this work include KPI 1.1.

2.15   Complementarity and Coherence

71.   In decisions decision 7/CP.20, 7/CP.21 and 11/CP.23, the COP encouraged the Board to improve complementarity and coherence with other institutions, including by engaging with relevant bodies of the Convention, such as the Standing Committee on Finance. Building on the operational framework on complementarity and coherence adopted at B.17 and based on the progress achieved in 2018, the Secretariat will continue in 2019 to take significant steps to further strengthen the GCF's role as a central actor in climate finance through leadership in enhancing complementarity and coherence among the climate finance delivery channels. Specifically, the Secretariat will advance Board agreed mandates for further cooperation with the GEF, the Climate Investment and Adaptation Funds with a view toward ensuring that the resources available to assist developing countries are deployed in the most effective and efficient manner possible. Further, and as regards collaboration with the CIF, the Secretariat will engage with the CIF Administrative Unit to advise national designated authorities on how programming opportunities by CIF beneficiary countries may be brought to GCF programming.

72.   In addition, the Secretariat will continue efforts to implement its operational framework on complementarity and coherence, building on the comparative advantages of each fund with a view to informing joint programming, supporting DAEs, NAPs and pipeline. In that regard, and consistent with decision B.20/05, the Secretariat's Annual Update presentation to the Board will include an updated set of Operational Framework outcomes for the 2019-2020 period. The proposed outcomes will be revised to reflect the experience of 2017-2018 and with a view to incorporate learning, consolidate work, and prioritize actions to advance complementarity and coherence. The revision will also explore synergies with other relevant climate funds currently working in the areas of mitigation and adaptation not included in the 2017-2018 period. In line with decision B.20/05, the Secretariat will also conduct activities in 2019 relating to providing information to national designated authorities and accredited entities to promote coherence at the national programming level.

73.   This work supports a wide range of 2019 goal components including the building a paradigm shifting portfolio. This work is generally undertaken by full time staff using budget lines 2.1.1, and 2.2 for undertaking necessary travel. Relevant KPIs include KPI 1.4.

2.16   Risk, audit, and legal functions

2.16.1.   Risk management and compliance

74.   During 2019, the GCF's risk management and compliance initiatives will include addressing existing compliance policy gaps including the lack of a conflict of interest framework that applies to external parties. 2019 initiatives will also include the development of an annual compliance risk assessment, and the development of standard operating procedures that further elaborate on the standards for anti-money laundering and combating the financing of terrorism. To support the ongoing preparations for replenishment, the Secretariat will also address policy and operational gaps in Risk and Compliance and address GCF's fiduciary duty requirements as detailed in the initial resource mobilization (IRM). In addition, the GCF will work to incorporate essential tools in the risk management framework, such as a project success rating and a credit risk rating in the funding proposal review process. Finally, it will also assist in the development and implementation of an investment criteria scoring tool to help ensure that the Fund's investments meet its investment criteria. This work, which is important to the achievement of several 2019 Secretariat goal components, will be carried out with support from both the Secretariat staffing budget (line 2.1.1) and from assistance provided through contractual services (budget line 2.3.2).

2.16.2.   Internal audit

75.   The Office of the Internal Auditor was established to "evaluate and improve the effectiveness of the organization's risk management, control and governance process." During 2019, the Office of the Internal Auditor (OIA) will continue to implement its rolling risk-based three- year internal audit plan. While the exact composition of 2019 audits will depend on OIA's risk-based assessment of the Fund at the end of 2018, its current 2018–2020 envisions performing audits of the following units in 2019:

(a)   Division of External Affairs

(b)   Division of Mitigation and Adaptation

(c)   Human Resources Unit (in Division of Support Services)

(d)   Office of the General Counsel

(e)   Private Sector Facility

(f)   Resource Mobilization Unit

76.   During 2019, OIA will also follow up the results of recommendations made in its audits to date and perform ad hoc audits and advisory engagements at the request of the GCF's Executive Director or Board.   Related work will be carried out with support from Secretariat staff (budget line 2.1.1) and consultant support as necessary. Related indicators for this work can be found in KPI 6.8.

2.16.3.   Legal Support

77.   Legal support is vital for the GCF across a growing spectrum of administrative, human resource, procurement, compliance, operational and reputational matters. It also plays a critical role in cross-divisional teams aimed at developing rules and procedures for the operations of

the GCF and negotiating agreements and verifying the conditions necessary to initiate disbursements and the implementation of approved projects. Legal support is also critical in helping to finalize Privileges and Immunities agreements, and in 2019, the Secretariat is targeting the initiation of discussions with an additional 14 countries (KPI 6.1). Finally, legal support is essential for the Board and its Co-Chairs, as well as the independent accountability units, advising on issues as they arise.

III. Additional GCF-wide Challenges and Initiatives

3.1 GCF policy and process related challenges

78. As noted earlier, 2019 will be a year of transition for the GCF as it moves from the IRM period to the first formal replenishment and beyond. On the positive side, the GCF will enter the post replenishment period with a strong pipeline and a significantly increased capacity to develop, review and submit funding proposals. On the challenging side, the absence of decisions on a series of important policy issues and processes have resulted in proposals that do not always completely fulfil the Board's transformational and paradigm shifting goals. Further, the decreased 2019 commitment authority and the transition to a period of reduced funding availability will present a number of near term challenges in 2019.

3.1.1. Near Term Challenges

79. Included among the near term challenges is the prioritization of the USD 5b of projects proposals in the pipeline given a 2019 commitment authority in the range of USD 1.2-1.5b. As regards this challenge, and in the absence of further direction, the Secretariat will evaluate the completeness of all proposals and use guidance provided by the Governing Instrument, the Board's Initial Results Management Framework, past Board approval and policy decisions, and the need to balance IRM resources to help it decide which projects to bring to the Board. While these tools cannot fully substitute for agreed Board eligibility criteria, they can help to enhance the climate nexus and potential fundability of Fund proposals. An overview of pending proposals is included the Board document on the status of the GCF pipeline.

80. Another 2019 challenge will involve crafting a message to NDAs and AEs to establish expectations for the potential timing of funding approvals for both the residual pipeline of proposals and possible new submissions. In addition, the Board may wish to consider whether and how to focus the use of key GCF tools such as the Project Preparation Facility (PPF) and the potential issuance of new targeted RPFs, as these tools have as their goal adding still new funding proposals to a pipeline of international AE submissions that is already growing organically. For example, and as regards the PPF and RFPs, the Board may wish to consider whether they should restrict the near term use of these tools to further the Board's Strategic Plan goals of increasing DAE and private sector participation.

3.1.2. Board Workplan and Agenda

81. The Board approves policy and is responsible for funding decisions. Initially, Board meetings were focused on approving the policies that have formed the operational framework of the GCF. While the process to approve policies was underway, the Board also began approving funding proposals. With GCF having become fully operational, standing information items reflecting the status of operations at GCF have been added to the agenda. These together with information documents linked to procedural items take up a significant portion of the agenda and Board time during Board meetings.

82.   This is further pronounced by the challenges observed in reaching consensus on some of the matters, so that items have been deferred from Board meeting to Board meeting and from one annual Board workplan to the next. Meanwhile, the Board has continued to issue mandates that are added to the workplan.

83.   This has led to very heavy agendas adopted at each meeting, where the Board has difficulty considering all the items in a single Board meeting spanning three to four days.

84.   The Secretariat devotes a significant portion of its resources to the preparation of Board documents, a good number of which often go unconsidered. Moreover, the Secretariat preparation and Board member review of a large number of papers for each Board meeting inevitably results in time and expertise that is thinly spread rather than focused on a smaller number of items.

85.   The Secretariat sees that the following measures, if implemented, result in agendas that are more reasonably possible for the Board to consider in one meeting, while continuing to make steady progress to address pending policy matters:

(a)   Board agreement to address a smaller set of policy matters per Board meeting;

    (i)   Development of a multi-year Board workplan that could allow for consideration of a range of matters to be spread over a longer period;

    (ii)   Effective implementation of decision B.18/12, paragraph (e), which requests the Secretariat to compile at each meeting of the Board a consolidated Board document on all information reports, with corresponding adjustments made to the provisional agendas; and

    (iii)   Adopting the guidelines for decision-making without a Board meeting that could allow for an increased number of matters to be addressed between meetings.

3.2   Replenishment

86.   Replenishment is likely to take on a significant Board, Secretariat and even global focus during 2019, and given its importance, support for replenishment is included as a key 2019 goal. In terms of specific work, the Governing Instrument calls on the Secretariat to "support the Board in arranging replenishment processes," and as a consequence of both its 2018 staffing and 2019 budget, the Secretariat will enter 2019 in a position to support the GCF replenishment effort in any administrative or substantive manner directed. One replenishment activity that was explicitly called for in the Board's Initial Strategic Plan is the review of that plan and its action plan as part of each replenishment process, and the Secretariat stands ready to coordinate and/or prepare work products that will help the Board to advance this important endeavour.

87.   At this point in the budgeting process, the Secretariat is projecting that process and work product support related to replenishment will cost in the range of USD1-1.5m. To the extent possible, secretariat staff (budget line 2.1.1) will be used to undertake needed work, but as necessary, consultants will be considered (budget line 2.1.3). Support for this work is also likely to involve some travel covered from the travel budget line 2.2. KPI 1.3 will track Secretariat action on replenishment decisions.

3.3   Project/Programme Development and Implementation

88.   2019 will provide a unique opportunity for the Secretariat to identify lessons learned and work to optimize its project cycle and portfolio management processes with a view to

accelerating the movement of projects from approval to first disbursement. This will involve assimilating and applying lessons learned and increasing our work with AEs to accelerate the finalization of accreditation master agreements (AMAs) and Funded Activity Agreements (FAAs). Specifically, for an approved project to move forward, an AMA must have been negotiated with and signed by the AE, and it must become effective. While the Board agreed at B16 to limit consideration of funding proposals from AEs without signed AMAs, their decision did not preclude such approvals, and since B17, 13 of the Board's 34 approvals were for projects with an AE that had not finalized an AMA. During 2019, the Secretariat will target completion of AMAs with all 59 of the Fund's AEs (KPI 5.1), and to the degree that there is not substantial progress being made on the finalization of outstanding AMAs for early project approvals, it will bring related issues to the attention of the Board for consideration of further action. The Secretariat will also target having 75% of new AMAs signed for entities accredited after 1 September 2018 within six months of accreditation. (KPI 5.1).

89.   Once an AMA is effective, an FAA needs to be concluded and executed before first disbursement can begin. For AEs with approved AMAs, the process of concluding an FAA has taken between 7 and 259 days, and on average, 1 year from the time of project/programme approval. In that regard, later projects have generally been much faster as FAA template negotiations have been concluded with a number of AEs with approved projects, resulting in faster development of subsequent FAAs necessary for disbursements. Similarly, the time from FAA signing to the time of FAA effectiveness has come down, and now takes an average of 90 days. Currently, the Fund has FAAs signed for 41 projects, and by the end of 2019, the Secretariat is targeting having FAAs in place for 76 projects (KPI 5.2).

90.   Finally, before first disbursements can begin, the Secretariat needs to work with the AE to resolve conditions that were agreed by the Board on accreditation and/or project/programme approval. In that regard, the number of conditions attached to projects has declined since B.16. At B.19, only 8 out of 23 approved projects had project-specific conditions approved, and during 2019, the Secretariat will increase its efforts to address conditions before projects are submitted for Board approval.   In all, the Secretariat is targeting having 74 projects under implementation by the end of 2019 with related aggregate project disbursements of between USD900m and 1.4b (KPIs 5.2 and 5.3).

91.   This work is directly related to 2019 goal components on accelerating implementation and managing for results, and operationalizing a proactive and Strategic approach to programming. Work in this area will be supported by cross secretariat staff teams including OGC (budget line 2.1.1), and will also involve the use of consultants and contractual services (budget lines 2.1.3 and 2.3).

3.4   Optimizing tools for the Management of the GCF portfolio under implementation

92.   During 2019, the function of portfolio management is being consolidated within the Secretariat to enable the effective management of all GCF projects after first disbursement and through the processes for project completion, final evaluation and closure. Initially, this work has included the development of templates for reporting templates for the AEs, Delivery Partners and NDAs for the purpose of ensuring compliance with agreed terms and conditions as well as with GCF policies and procedures. During 2019, the Secretariat will optimize its reporting formats and processes and extend its review to the growing number of projects that will be entering implementation. The first Portfolio Performance Report (PPR) will be presented in October of 2018, at B.21, and the Secretariat will prepare a second for presentation to the Board in the first half of 2019.

93.   The Secretariat will also continue its work towards initiating a system for data reporting in the form of a risk-based monitoring dashboard, including the creation of an early warning system, which will enable it to more effectively and efficiently meet the requirements for portfolio performance reporting. The indicators that will be tracked and reported on will include: (i) status of implementation (e.g. # of months since effectiveness), (ii) implementation performance (e.g. on track, projects experiencing implementation challenges, etc.), (iii) financial performance (e.g. % of approved GCF funds disbursed), and (iv) progress towards target: impact performance (e.g. total tCO_2eq reduced, of total annual and cumulative beneficiaries impacted as reported by the AEs). The Secretariat will also continue to provide analysis related to restructuring, extension and other issues that emerge once projects and programs are implemented by reporting on portfolio–level dashboards and development of status reports on the GCF portfolio. Finally, the Secretariat will work during 2019 to expand and normalize the use of the grant equivalent calculator, a tool developed to measure the concessionality of GCF project funding and to track GCF portfolio targets.

94.   Related work falls under the 2019 goal component of managing for results. While this work will be implemented primarily with staff support (budget line 2.1.1), support from consultants and contractual services will also be needed (budget lines 2.1.3 and 2.3). Related performance indicators can be found in KPIs 2.4 and 5.4.

3.5   Building a Paradigm Shifting Portfolio that Addresses Country Priorities

95.   In 2019, the Secretariat will undertake a number of initiatives designed to enhance Fund efforts to assess and articulate the climate impact of proposed GCF work with a view to building a paradigm shifting portfolio. First, new guidance and submission templates will require proposals to more clearly state their climate rationale and explain how they are consistent with the GCF's paradigm shifting mandate. In addition, the Secretariat will enhance its early screening of concept notes and proposals to provide early feedback on their climate nexus and compliance with other GCF mandates. In addition, the Secretariat will develop an appraisal toolkit to support the development of proposals with a stronger climate nexus. The Secretariat will also develop an objective methodology to assess the climate rationale of the FPs and their alignment with the investment criteria. This tool will be further optimized to assess the likelihood of project / programme achieving its targeted climate change impact. In addition, the Secretariat will develop further results area guidance and sectoral guides. Finally, as regards climate impact, the Secretariat will use its completeness checks as well as guidance from the Governing Instrument, the Board's Initial Results Management Framework, the Board's past decisions and conditions on approvals, and requirements related to balancing IRM resources to help it ensure that projects moving forward have a strong climate nexus, and present a strategic fit that is in line with GCF goals.

96.   Supporting the development of a paradigm shifting portfolio that is consistent with Board direction will also require a significant increase in Secretariat planning. Further, as the Fund transitions to a situation in which the demand for its support exceeds the availability of its funds, the need for planning and programming becomes more acute. As a result, during 2019, the Secretariat will advance the Initial Strategic Plan Priority on operationalizing procedures to initiate a proactive and strategic approach to annual programming.   This will include enhanced efforts to support the finalization of robust country and entity work programmes. Further, we believe that during 2019, the Fund could move toward institutionalizing planning by formally establishing a framework for an annual GCF business plan and pipeline that would take into consideration, inter alia, the priority presence of proposals in both a country programme and an entity work programme. During 2019, the Secretariat intends to undertake a strategic pipeline

review once every two months to facilitate, inter alia, an early review of the climate impact of proposals and to implement decisions on financial planning.

97.   Related work involves the 2019 goal components of both strategic programming and building a paradigm shifting portfolio. Support for this work will be undertaken through a Secretariat wide effort (full time staff budget line 2.1.1), and will include support from both consultants and contractual services (budget lines 2.1.2 and 2.3). Related KPIs include 4.1 which will monitor the establishment of a business plan framework and the initiation of strategic pipeline reviews and 3.1/3.2 which will track the implementation of climate knowledge activities including the development of the appraisal toolkit.

3.6   Consolidating Secretariat capabilities and creating a common, country centered culture of excellence

98.   As noted in paragraph 3 above, over the last two years, the Secretariat has grown by almost 150 staff members and reorganized its structure to optimize its effectiveness. During 2019, the Secretariat will be taking a series of initiatives designed to consolidate its growing capabilities and create a common, country centered culture of excellence. Related 2019 initiatives that were discussed above will include: finalizing and implementing new HR and procurement procedures and increasing opportunities for staff learning and development. Additional components of this effort discussed below are developing and implementing a comprehensive Knowledge Management System and enhancing excellence by engaging global experts through a framework of Communities of Practice.

3.6.1.   Knowledge Management

99.   Article 23 (l) of the Governing Instrument calls on the Secretariat to establish and run effective knowledge management (KM) practices. During 2019, the Secretariat will build on its previous KM efforts by developing and implementing a comprehensive Knowledge Management System (KMS). This effort will be designed to increase the effectiveness and efficiency of the Fund's operations by ensuring that institutional learning is captured and made accessible to both internal and external stakeholders. An integral component of the KMS will be a knowledge management strategy that will delineate the measures to be implemented to effectively capture, harmonize and disseminate the GCF's current practices and its rich but currently fragmented base of knowledge. It will be designed with a view towards benefiting a wide range of GCF stakeholders including the Secretariat, AEs, NDAs, and Board Members. It will include a focus on identifying and distilling lessons learned with a view to promoting the mainstreaming of best practices. The KMS will also integrate key components of the framework for the Communities of Practice (discussed below) being developed by the GCF to enhance the accessibility of global knowledge on key climate issues. Another 2019 KM priority is the update and full operationalization of the Direct Climate Action Platform (DCAP) which is being designed to become a Knowledge Hub and provide a host of opportunities for individuals and organizations to collaborate, exchange knowledge and build the capacity of climate stakeholders in developing countries. 2019 Knowledge Management work will support a number of 2019 Secretariat goals. It will be carried out with cross Secretariat staff assistance as well as with USD 0.75m in contractual services support from budget line 2.3.2. KPI 3.6 covers the operationalization of this important new system.

3.6.2.   Establishing Communities of Practice

100.   Communities of Practice (CoP) are envisaged to be a framework of engagement that would enable the Secretariat to tap into the most knowledgeable global experts to help it carry

out its work. Specifically, expert institutes or firms will be engaged through the framework of Communities of Practice to support the Secretariat in its normative sectoral work, reviewing specific project, PPF or Readiness proposals, supporting country and entity programming, inputting to the development of sectoral guidance, as well as informing the development of the Fund's knowledge management function. The Secretariat will also continue dialogues with key institutes or firms on additional means to generate paradigm shift in its results areas either on the side-lines of existing fora or at events and gatherings convened by the Secretariat. Work on the communities of practice will support a number of 2019 goal components, and will be carried out with USD 1.5m in contractual services support from budget line 2.3.2. KPI 3.3 covers the effective roll out of the initiative.

IV. Proposed 2019 Administrative budget of the GCF including the Board, the Interim Trustee and the Secretariat

4.1   Introduction

101.   The operation of the Board, the Secretariat, and the services provided by the Interim Trustee are supported through an administrative budget approved by the Board against the funds available in the Green Climate Fund Trust Fund (GCF Trust Fund) established by the Interim Trustee. This document proposes the administrative budget for the period 2019 to support the operations of the GCF and those three entities. It is recommended that the Board: Takes note of the information presented in section IV of this document; and Adopts the draft decision presented on page 10 of this document.

102.   The 2019 budget has been developed in collaboration with relevant divisions and offices of the Secretariat, and is based on their proposed activities for 2019, and estimates provided by the interim trustee. The GCF Senior Management Team (SMT) played a strong challenge function when reviewing individual divisional/office budgets. The budget was also reviewed and endorsed by the Budget Committee and incorporates their feedback.

4.2   Summary of Proposed 2019 Budget

103.   In total, the proposed 2019 administrative budget is USD 72.6 million as set out in table 1. This represents a total increase of USD 9.0 million or 14 per cent over the approved 2018 budget for the Board, the Secretariat and the Interim Trustee. Approximately 77 per cent (USD 6.9 million) of the proposed increase relates to the cost of the additional Secretariat positions approved by the Board at B.18. It is assumed that 230 staff will be on board by 1 January 2019 and 250 by 30 June 2019. The remaining amount of the USD 2.1 million increase comprises increases of USD 0.1 million for Board expenditures, USD 1.7 million for the Secretariat non-staffing budget, and USD 0.3 million for the interim trustee. Details are set out below.

Table 1: Proposed administrative budget for the period 2019 (in United States dollars)

		2018 Approved at B.19	Draft 2019 Projection	Increase/ (Decrease) in 2019 draft budget over approved 2018	% change
1	Board	3,337,045	3,437,156	100,111	3%
2	Secretariat	58,473,960	67,065,846	8,591,886	15%
3	Interim trustee	1,747,000	2,065,000	318,000	18%

	Grand total	63,558,005	72,568,002	9,009,997	14%

4.3   Board

104.   The costs relating to the Board, detailed in table 2, cover expenditures associated with: logistical arrangements for and travel to Board meetings; Co-Chair and Board representative travel on GCF related missions; and inter-sessional meetings of Board committees, panels and working groups; including the costs of the Accreditation Panel (AP) and the Technical Advisory Panel (TAP).

Table 2: Board: Proposed administrative budget for the period 2019 (in United States dollars)

		2018 Budget Approved at B.18	2019 Draft	Increase/ (Decrease) in 2019 draft budget over approved 2018	% change
1.1	**Board meetings**				
1.1.1	Board representative travel	1,120,310	1,153,919[a]	33,609	3%
1.1.2.	Venue and logistics	403,142	415,237	12,095	3%
	Sub-total: Board meetings	**1,523,452**	**1,569,156**	**45,704**	**3%**
1.2	**Co-Chair and Board representative travel**				
1.2.1	Co-Chair and Board representative travel	23,870	24,586	716	3%
	Sub-total: Co-Chair and Board representative travel	**23,870**	**24,586**	**716**	**3%**
1.3	**Board committees, panels and working groups**				
1.3.1	Board representative travel	336,305	346,394[b]	10,089	3%
1.3.2	Venue and logistics	10,609	10,927	318	3%
	Compensation of Board panels: Accreditation Panel	623,809	642,523[c]	18,714	3%
1.3.3	Compensation of Board panels: Technical Advisory Panel	819,000	843,570[d]	24,570	3%
	Sub-total: Board committees, panels and working groups	**1,789,723**	**1,843,414**	**53,691**	**3%**
	Grand total	**3,337,045**	**3,437,156**	**100,111**	**3%**

[a] Twelve Board members, 12 alternate members and 24 advisers each are budgeted per meeting.

[b] Assumes six members of the AP and TAP travelling to three Board meetings per year in addition to three one-week missions for pre-Board technical session; two AP members making six site visits; and three Private Sector Advisory Group (PSAG) meetings.

[c] Assumes six panel members working an average of ten days per month.

[d] Assumes six panel members on monthly fixed honoraria rates.

[e] Assumption is made for the purpose of budgeting and does not pre-empt Board decisions on either the number or venue of meetings in 2019.

105.   In the aggregate, the proposed 2019 budget for the Board shows an increase of USD 0.1 million which comprises a general increase of 3 per cent over the approved 2018 budget. The proposed increase of 3 percent is in line with standard budget practice.

106.   The costs associated with meetings logistics have been budgeted on the assumption that there will be three Board meetings in 2019 and that two of the three meetings will be held at the Fund's Headquarters, with the other meeting held outside of Headquarters.

107.   The costs associated with Board committees, panels and working groups are budgeted in line with the 2018 expected costs. In addition, Accreditation Panel members will again be expected to undertake site visits in 2019. As in 2018, virtual meetings will be the preferred mode of operation.

4.4   Secretariat

108.   The proposed 2019 budget for the Secretariat is set out in table 3. The budget is based on the Secretariat's/divisions/offices best estimate of the resources required to carry out their respective 2019 work program. Table 3 includes footnotes providing additional information on budget items related to common costs. Understanding the Board's interest in the areas of staffing, consultancies, travel and contractual services, this year's expands its discussion of those items beyond footnotes. Specifically, section 4.6 provides insights into the aggregate figures provided in those budget lines. Then, section 4.7 undertakes a broad review of the work of each division/office of the Secretariat, and includes tables providing indicative information on the unit specific funding in the areas of staff, consultancies, travel and contractual services required to support the operation of the Secretariat for 2019. Indicative unit staffing ranges assume an overall Secretariat staff level of 250 consistent with the staffing goal agreed by the Board at B.18.

Table 3: Secretariat: Proposed administrative budget for the period 2019 (in United States dollars)

Code	Budget Category/Sub-category	2018 Budget Approved at B.18	2019 Draft	Increase/ (Decrease) in 2019 draft budget over approved 2018	% change
2.1	**Salaries and consultants**				
2.1.1	Full-time staff	38,037,342	44,948,077	6,910,735	18%
2.1.2	Consultancies	2,930,850	2,593,100	-337,750	(12%)
	Sub-total	**40,968,192**	**47,541,177**	**6,572,985**	**16%**
2.2	**Travel**				
2.2.1	Travel	2,322,500	2,396,309	73,809	3%
2.2.2	Secretariat staff travel to attend Board meeting	275,834	284,109	8,275	3%
	Sub-total	**2,598,334**	**2,680,418**	**82,084**	**3%**
2.3	**Contractual services, general operating, information technology costs**				
2.3.1	Office utility costs	309,000	280,000	(29,000)	(9%)
2.3.2	Contractual services	7,485,973	7,631,344	145,371	2%
2.3.3	Other Operating costs	489,250	1,137,840	648,590	133%
2.3.4	Communication and printing	1,063,018	1,568,000	504,982	48%
2.3.5	Information and communication technology	4,690,000	5,313,365	623,365	13%
2.3.6	Depreciation	870,193	913,703	43,510	5%
	Sub-total	**14,907,434**	**16,844,252**	**1,936,818**	**13%**
	Grand total	**58,473,960**	**67,065,846**	**8,591,886**	**15%**

4.5 Aggregate overview of the Secretariat Budget Items on Staffing, Consultancy, Contractual Services and Travel

109. **Headcounts and staff funding** numbers included in table 3 above are based on the assumption that 230 staff will be on board by 1 January 2019 and a full complement of 250 staff members will be on board by 30 June 2019. Overall the staffing budget of USD 44.9 million represents 67% of the total requested budget for the Secretariat. The USD 6,910,735 or 18% increase relative to the approved 2018 budget is related to hiring designed to meet the Board staffing goals included in its decision B.18/11.

110. **Consultancy costs** included in table 3 above relate to the hiring of full time consultants based in Songdo and consultants who provide services remotely on a call basis. Remote consultants are required to provide additional expertise in technical areas where the relevant division does not propose to hire staff itself. The Board in approving the 2017 and 2018 budgets and related Secretariat staffing goals tasked the Secretariat with reducing consultancy costs going forward. The 2019 budget continues the trend of reducing consultancy costs. Specifically, the proposed 2019 consultants budget of USD 2.6 million shows a reduction of USD 0.3 million or 12 percent against the 2018 budget and a reduction of USD 1.8 million or 44 percent against 2017 actual expenditures. The cost of full time consultants based in Songdo comprises USD 1.75 million out of the total of requested budget of USD 2.60 million. Table 4: Annual reduction in consultancy costs

Year	Amount (USD)	% Change
2016 (actual)	4,509,852	
2017 (actual)	4,569,057	1%
2018 (estimated)	2,930,850	-36%
2019 (budget)	2,593,100	-12%

111. **Contractual Services:** Professional service firms that provide assistance to the Secretariat are budgeted under the line item contractual services. Related assistance supplements the substantive work programme in areas where it is more efficient to hire outside assistance than it is to procure full time staffing. The process for procuring contractual services with professional firms is rigorous, and always involves a price reasonableness review in relation to deliverables. GCF guarantees value for money of such services at several stages of the procurement process. Financial aspects are only looked at after a thorough and comprehensive review of the technical aspects. We then undertake negotiations with the service providers which includes a review of the terms of reference of the work and the expected deliverables. Once agreed, professional firms work closely with the client division to ensure deliverables agreed are met within the agreed cost. On the procurement of goods, other than the procurement process itself, a technical compliance check is done to ensure value for money on a total cost of ownership basis. The proposed 2019 budget for contractual services is USD 7.6 million. This is an increase of USD 0.15 million or 2 percent over the approved 2018 budget. Specific unit requests for contractual services support are outlined in the section below. Two unallocated requests of note is a USD.75m request for Knowledge Management discussed in paragraph 99 above, and a request of USD1.5m for Communities of Practice discussed in paragraph 100 above.

112. **Travel:** Staff travel is budgeted at USD 2.7 million of which USD 2.4 million is to support the work program of the Secretariat and USD 0.3 million for staff members supporting the Board meeting outside of Songdo. The budget of USD 2.4 million (excluding the cost of staff travelling to support a board meeting held outside of Songdo) represents an increase of USD 73,809 or 3 percent and is in line with the standard budget practice; it reflects the need for staff

to undertake missions for outreach and awareness-raising as needed in countries and partner institutions but holds the budget in line with the approved 2018 budget despite the increase in the staffing levels. It also takes into account the increasing efforts within the GCF Secretariat for staff to conduct business through virtual meetings wherever possible. In all, and taking into account the growing size of the Secretariat, the 2019 travel budget request represents a 35% reduction in travel cost on a per staff basis from agreed 2017 levels. The travel by category is set out in table 5:

Table 5: 2019 Proposed travel budget by category of travel

Row Labels	Amount
AE/DAE Engagement	705,024
International Meetings	613,636
Structured dialogues	452,003
Others	202,032
Engagement with UN & COP	173,212
Country engagement	155,518
Project Monitoring	94,884
Grand Total	**2,396,309**

113.   The majority (about 84%) of the travel budget is associated with AE/DAE Engagements, International Meetings, Structured Dialogues and Others (Admin) Travel. Accredited Entity/Direct Access Entity Engagement travel is mostly to enhance the engagement with AEs, particularly in relation to entity work programme development and AMA/FAA negotiations. The International Meetings include the G20 Summit, high level outreach events, trust fund committee meetings, ED/DED support meetings, UNFCCC and other conferences. Structured Dialogue expenses are comprised mostly of regional dialogues GCF plans to hold in 2019. The majority of the "Others" travel cost is business trips undertaken for accreditation site visits, PSAG meetings, workshops and other administrative related travels.

114.   **Utility costs** are estimated at USD 0.3 million. These comprise utility costs for the headquarters eight floors which will be occupied by GCF in 2019

115.   **Depreciation**: Includes the annual depreciation costs for systems developed in 2016, 2017 and 2018 in the areas of Software and hardware; Board room equipment; Computer equipment; and Motor vehicles

116.   **Information and Communication Technology (ICT):** In 2019, GCF will optimize the initial versions of core administrative systems to ensure their reliability and effective performance. It will also introduce new internal systems to cover additional areas that directly support GCF business initiatives and processes. Key initiatives will focus on technical aspects of systematically increasing knowledge management and collaboration, enhancing the already-developed portals for NDAs and AEs, supporting AEs/delivery partners with an online reporting system, creating a "Climate Marketplace" to link NDAs and AEs and to share knowledge from projects and funding proposals, delivering online tools and forms to support online submissions, providing enhanced ICT solutions to meet Board collaboration requirements, and providing all GCF stakeholders with advanced reporting and analytics capabilities. Following its new ICT strategic plan, the Secretariat will begin to integrate emerging technologies such as artificial intelligence and machine learning into systems to offer better quality results when relevant knowledge is requested. GCF will continue to take steps to bolster the security of its entrusted information assets, through enhanced monitoring of ICT systems and by introducing additional information security and privacy awareness and training for all of GCF's workforce. The ICT team will also enhance practices designed to reduce spearfishing attacks. Beyond numbers of systems or practices delivered, the ICT team will seek

to monitor its work through client satisfaction with responsiveness and resolution of issues. The 2019 budget is based on the GCF workload. It also takes into consideration best practices for organizations operating in the Public Sector, and the most recent Gartner benchmark estimates of average ICT costs for national/ international governmental organizations with an operating budget comparable to the GCF's (11.7 per cent of corporate total).

117.   **Other operating costs:** Under this cost category are a number of items for budget purposes. These include: USD 500,000 million to fund the 2nd annual GCF Private Investment for Climate Conference. Excluding this amount the actual increase is USD 148,000 or 30 per cent. The increase is primarily linked to the increase in staffing (office supplies, International SOS, insurance) but also includes an amount for new board members induction. Other costs in this category include bank charges, in-house workshops, security services, the provision of air purifiers, the cost of staff retreats etc.

4.6   Office and Division Specific Work and Budget Related Information

4.6.1.   Office of the Executive Director (OED)

118.   The Office of the Executive Director is responsible for overall management of the GCF Secretariat. This includes strategic leadership, building organizational capacity and capability, managing GCFs finance and systems, providing effective and timely support to the Board, and establishing and nurturing relationships with GCF stakeholders. OED currently manages these and other activities through its Deputy Executive Director, and through leadership of a senior management team made up the directors of the Secretariat's divisions and offices. Given the growth of the Secretariat's work, the significant growth in Secretariat staff and management responsibilities, and the increasing liaison activities (particularly as they relate to an upcoming GCF replenishment), OED faces significant challenges in 2019. While 2019 OED initiatives will track those discussed below in the context of each of the Divisions, in particular, OED expects to have significant focus on supporting the Board in efforts related to replenishment, hiring a new Executive Director, addressing policy gaps, and implementing key cross-Secretariat initiatives. It will also focus on Secretariat directed efforts to promote a culture of excellence for its staff.

Key 2019 Work programme deliverables

(a)   Driving implementation of the 2019 work programme and accountability for results;

(b)   Representing the GCF Secretariat globally and supporting replenishment efforts; and

(c)   Leadership of cross-Secretariat initiatives on strategic pipeline review and business planning, communities of practice and knowledge management (centrally budgeted).

Overview of OED Staffing and Budget (in United States Dollars)

Projected Staff Headcount at mid-2019	Estimated staff cost	Consultants	Projected travel	Contractual Services	Common Services	Total
9-12	2,394,857	205,500	288,832	-	342,311	3,231,500

4.6.2.   Division of Country Programming (DCP)

119.   The Division of Country Programming serves as the doorway to access and support for most countries and entities seeking to engage with the GCF. The Division's work begins at the initial stages of GCF processes. Specifically, DCP is responsible for identifying and providing initial information to both national designated authorities (NDAs)/focal points (FPs) and to entities seeking to become accredited to work with the GCF. Relationships are then

strengthened and managed through two units, one focusing on providing support to countries, and the other on providing support to AEs. These units provide a critical link in the GCF's effort to enable strategic programming through support for the development of strategic frameworks, and country driven projects and programmes that align with GCF's key results area guidance. DCP administers GCF Support Programmes including the Readiness and Preparatory Support Programme (hereafter referred to as Readiness Programme), Project Preparatory Facility (PPF) and sustainability programme (focusing on gender, and indigenous people and environmental and social safeguard policies). Through these programmes, GCF helps the countries to build their capacity to access climate finance, develop national climate strategies and frameworks, and design project pipelines of high quality and impact.

Key 2019 Work programme deliverables

(a)   Enhancing timeliness and quality of readiness support, including through delivery of Readiness 2.0 initiatives, multi-year support planning, targeted technical support for NDAs and country work programming, and expansion of NAP support;

(b)   Delivery of country and entity engagement strategies, coordination of up to 7 major NDA/AE engagement events and an RfP to develop regional networks;

(c)   Accreditation of up to 19 new Direct Access Entities and coordination of cross-Secretariat support to increase the representation of DAEs in the pipeline and portfolio, as well as launching the re-accreditation process for the 20 entities accredited in 2015;

(d)   Reform of the accreditation framework and accelerating AMA signings;

(e)   Leading cross-Secretariat scaled-up delivery of Project Preparation Facility support;

(f)   Supporting GCF efforts to embed stronger climate rationale across all GCF activities; and

(g)   Contributing to cross-Secretariat efforts on gender mainstreaming, funding proposal review, complementarity and coherence, communities of practice, and knowledge management.

Overview of DCP Staffing, and DCP non- readiness budget information* (in United States Dollars)

Projected Staff Headcount at mid-2019	Estimated staff cost	Consultants	Projected travel	Contractual Services	Common Services	Total
41-45	7,750,958	331,800	397,280	1,262,000*	1,120,216	10,862,254

*USD 1.3m for professional services is to provide country programming advisory services, to assess applications for accreditation, and to develop ESS, Indigenous Peoples, and Gender tools.

*The Readiness Programme budget will be presented to B22 taking into account Board action on the recommendations on the newly available review undertaken by the Independent Evaluation Unit

4.6.3. Division of Mitigation and Adaptation (DMA)

120.   At the time of its establishment over five years ago, DMA was charged with managing all matters relating to the GCF's mitigation and adaptation windows with respect to funding proposals implemented through public sector entities. Toward that end, it was tasked with initiating and maintaining a project and programme pipeline, and providing expert support for the review of projects across all eight mitigation and adaptation results areas. In addition, it was charged with providing support to the Private Sector Facility, DCP country dialogue teams, and national and regional bodies. Since that time, DMA has contributed to the GCF in a wide variety of ways. In its role as technical reviewer and coordinator of public-sector projects, DMA has managed: (1) the review of concept note submissions: (2) the management of the REDD Plus, Enhanced Direct Access, and Simplified Approval Process Pilot Programmes; (3) compilation of second level due diligence reviews by the Secretariat; (4) the preparation of

project and many policy documents for review by the Board; and, (5) the Board's review and approval of public sector projects. In addition, and at the same time, the division plays a critical role in efforts to clear outstanding conditions on approved projects and to finalize the AMAs and FAAs that are essential in enabling first disbursements and related project implementation. As the only division in the Secretariat with technical expertise in all GCF results areas, DMA is increasingly called to engage with countries and accredited entities in supporting their development of pipelines that align with the GCF results area guidance. Over 85% of DMAs work is done with in-Secretariat resources.

Key 2019 Work programme deliverables

(a)   Submitting for Board approval in the range of 17-22 funding proposals for USD 700-750m, including up to 5 SAP (USD 50m-100m) and 2 REDD-plus (150m);

(b)   Providing feedback on up to 115 concept notes and funding proposals, including 40 PPF concept notes, with a targeted turnaround time of 30 days;

(c)   Driving an additional 44 pre-B.21 funding proposals to implementation, with up top 30 additional funding proposals receiving disbursements;

(d)   Publication of sectoral strategies for the eight GCF results areas; and

(e)   Contributing to cross-Secretariat efforts on climate rationale, strategic programming, communities of practice, consolidation of operational process, and policy development.

Overview of DMA Staffing and Budget (in United States Dollars)

Projected Staff Headcount at mid-2019	Estimated staff cost	Consultants	Projected travel	Contractual Services	Common Services	Total
37-41	6,870,274	570,400	465,000	650,000*	999,074	9,554,749

*For the provision of technical advisory services. The increasing number and/or diversity of funding concept notes, EDAs, PPFs and funding proposals will require specialized firms for conducting part of the review process, particularly in more specialized areas which may not be covered by the professional profile of the new staff that will be joining the team during the next three-six months

4.6.4.   Division of Private Sector Facility (DPSF)

121.   The Governing Instrument states that "The Fund will have a private sector facility that enables it to directly and indirectly finance private sector mitigation and adaptation activities at the national, regional and international levels." The Private Sector Facility currently represents 40% of the Fund's committed portfolio and 76% of its disbursements.   In keeping with the unique mandate which the Fund can play in mobilising impact from the private sector, DPSF continues to work with its AE and NDA partners to accelerate the flow of private and institutional funding from international, regional and local sources toward the development of projects and programmes to support both mitigation and adaptation. In 2019, DPSF will implement the mandates of the Board, primarily through the implementation of the funding proposals submitted by AEs or by soliciting funding proposals using RFPs commissioned by the Board, targeting specific high impact areas including by working in close co-operation with NDAs and DAEs. Additional private sector initiatives in 2019 will include cross Readiness and DPSF work designed to increase NDA understanding and ability to tap into both the immense potential of the private sector and the wide array of different GCF and external funding options available to help countries meet their national climate goals. In addition, PSF is developing a forward looking strategy to support potential new modalities of Private sector engagement, including new approaches to early stage financing for technology, the provision of local currency financing, support for the establishment of green banking institutions and

development of new methods of co-financing to mobilise private and institutional capital. Recommendations are likely to focus in key areas such as:

(a) **Deploying support to identify and implement national policy priorities for private investment**, whether as readiness for GCF country programs that will be a strategic guide for all public and private climate finance, or through financial mechanisms to underpin the implementation by private sector actors of policy-directed sector transformation;

  (i) **Strengthening local institutions and markets**, including the development of national green banks as well as national and regional capital markets for climate compatible investments; and

  (ii) **Taking on more project and portfolio risk strategically**, including by primarily financing in local currency and taking more equity positions to ensure that the PSF plays a complementary, impact-oriented role within the wider climate finance architecture.

122. The strategy will also touch upon new modalities and policy reforms that may be necessary to ensure effective provision of PSF support. These could include:

(a) **Piloting direct investment by the PSF** in equity ventures to allow GCF to support early stage, innovative business models, some in more frontier markets, without depending on an AE to finance equity as well.

  (i) **Project-specific and strategic accreditation** to allow for more effective and targeted RFPs and to ensure "right fit" potential private sector AEs can be engaged in line with national priorities, as well as a **notification procedure** that NDAs could opt into in lieu of the current no-objection procedure to facilitate more rapid private sector project approvals; and

  (ii) **A capital base for the PSF** (paid-in and/or callable) that would allow the PSF to deploy guarantee instruments more efficiently (without having to set aside 100% of guarantee amount) and to underwrite the issuance of securities.

Key 2019 Work programme deliverables

(a) Submitting for Board approval in the range of 12 funding proposals for USD 750m, including up to 7 Direct Access (USD 450mm), 3 SAP (USD 30m), 3 MFS (USD 178mm);

(b) Providing feedback on up to 25 concept notes and funding proposals, including 6 PPF concept notes, with a targeted turnaround time of 30 days;

(c) Driving an additional 9 pre-B.21 funding proposals to implementation, with an additional 5-9 funding proposals receiving disbursements;

(d) Development and presentation to the Board of a private sector strategy likely to include recommendations for development of four additional modalities: 1) An Early Stage and Incubation Facility to support climate related technology and other projects for climate; 2) A Private Sector Local Currency Financing and / or Guarantee Facility to efficiently channel local currency funds to country supported climate related projects. 3) A Green Banking Readiness Program to scale up climate finance in developing countries supported by 1-2 PSF funding proposals; and finally 4) a Private Sector Co-financing Facility to mobilize private and institutional capital to accelerate private sector financing for climate;

(e) Develop a strong pipeline for post replenishment scenario by working with a select group of AEs currently under Stage II of the Accreditation pipeline; and

(f)   Contributing to cross-Secretariat efforts on climate rationale, strategic programming, communities of practice, consolidation of operational process, and policy development.

Overview of DPSF Staffing and Budget (in United States Dollars)

Projected Staff Headcount at mid-2019	Estimated staff cost	Consultants	Projected travel	Contractual Services	Common Services	Total
23-27	4,233,259	314,600	363,062	135,000*	587,622	6,133,543

*For provision of technical advisory services

4.6.5. Division of Support Services (DSS)

123.   DSS oversees a wide range of activities that are critical in enabling the Fund to carry out its daily activities with efficiency and financial integrity.   These include: resource mobilization and management, administration, information and communication technology (ICT), procurement, the treasury function, and human resources.

Key 2019 Work programme deliverables

(a)   Provision of effective support services across Secretariat operations;

(b)   Recruitment of 250 permanent staff and promotion of staff learning and development;

(c)   Timely delivery of improvements in ICT systems and requested ICT products;

(d)   Update of Business Continuity Plan and Emergency Evacuation Plan; and

(e)   Development of a cash investment plan and hedging strategy.

Overview of DSS Budget (not including ICT which was dealt with in x.xx above)

Projected Staff Headcount at mid-2019	Estimated staff cost	Consultants	Projected travel	Contractual Services	Common Services	Total
46-49	6,542,921	223,800	150,865	443,350*	1,299,357	8,660,293

*For a range of services including: human resource professional recruitment firms; and audit services.

4.6.6. Division of External Affairs (DEA)

124.   In decision 18/11, the Board agreed to establish an External Affairs division that would be responsible for, inter alia, developing and overseeing implementation of the GCF communications strategy, as well as for strategic engagement with all external actors, executive messaging, website, social media management, media relations, and outreach activities, including in relation to supporting the replenishment process. This joining of these tasks was designed to enhance information sharing and help the Secretariat's communications efforts to become more strategic and targeted. The Division has three units, relating to resource mobilization, partnership and outreach, and communications. DEA will be supported by a new unit with responsibility for Partnership and Outreach. Staff for this unit is currently being recruited, and during 2019 the unit will take over responsibility for developing relations with external partners, and for building stronger relations with key stakeholders.

Key 2019 Work programme deliverables

(a)   Supporting preparations for replenishment (separate budget to be approved);

(b)   Implementation of the GCF communications strategy;

(c)   Coordination of GCF external engagements, partnerships and outreach;

(d)   Supporting selection of a Permanent Trustee.

Overview of DEA Staffing and Budget (in United States Dollars)

Projected Staff Headcount at mid-2019	Estimated staff cost	Consultants	Projected travel	Communications*	Common Services	Total
15-20	4,086,308	201,700	170,500	1,568,000	1,050,565	7,077,073

* **Communication:** Communication efforts will focus first on raising awareness, encouraging support and promoting collaboration among key GCF stakeholders; and second, on communicating on the implementation of activities and the impact of projects and programmes. The budget includes allocations to cover printing services, merchandizing and exhibition materials, and online services such as media monitoring and photo libraries. It also covers provision for communication support services including public relations and crisis counsel for reputation risk management. Finally, it includes technical support for project filming, video production, and media library management for the production of multi-media materials showing project impact and results, and for media partnerships to promote the dissemination of communications materials. These activities will be necessary to support the replenishment process by providing narrative reporting on projects, programmes, and readiness activities. Specific deliverables will include preparation of materials that help explain how to engage with GCF, such as promotional materials explaining key processes (e.g.: accreditation, readiness and preparatory support, and access to funding including through the SAP). In addition, materials will be developed to explain GCF policies and standards. Accessibility improvements will be introduced to the website (including access to Board documents). The GCF 101 guide will be updated, and other communications products such as the PSF brochure will be revised. Communications plans, web pages, and promotional material will be developed to support major GCF dialogues, workshops and seminars. News and press releases and social media will be used to promote the events and their outcomes. In 2019, GCF will organise a half day stakeholder engagement forum to promote dialogue with stakeholders including governments, civil society organizations, academia and media to create a platform for engagement with GCF. Division outputs will also include new video and multi-media materials, as well as facilitated media coverage of project implementation supported through a travel bursary scheme aimed particularly at developing country journalists. Communications is also expected to assume a central role in supporting GCF replenishment once this process is initiated by the Board, and the Secretariat will stand ready to assist the Board as directed.

4.6.7.   **Office of Governance Affairs (OGA)**

125.   The overall objective of OGA is to provide effective support across the governance structure of the GCF in order to set a solid framework for the Fund's operation. Key elements of the Fund's governance include the Board's decision-making process; the arrangements between the GCF and the COP; the relationship with other funds, the implementation of policies on information disclosure and participation of observer organizations, and the mapping of governance related matters that require attention (i.e. operation of committees and groups). Specific 2019 initiatives emanating from the OGA's overall objective in the category of supporting the Boards decision making processes include: supporting a smooth transition in the term of Board membership; ensuring adequate support to the Board Co- Chairs; and identifying practices that require being standardized (i.e. intersessional work). In addition, OGA will lead the development of three Board meetings and respective informal sessions during the year, including intersessional consultations and work, making sure the agenda for the meetings and respective documentation is developed and delivered in an appropriate and timely fashion. This also includes contributing to smooth and effective communication and internal coordination of Board-related matters within the Secretariat. Work in the area of complimentarity and coherence will include preparation of an updated 2019/2020 set of outcomes for the operational framework. An additional 2019 initiative will involve reviewing of the Information Disclosure Policy to determine gaps and recommend improvements, and developing the guidelines for observer participation, considering lessons learned and best practices, among others.

Key 2019 Work programme deliverables

(a) Leading delivery of effective support for the Board, timely issuance of Board papers, and making available a voluntary briefing program for incoming Board members;

(b) Timely response to COP guidance and submission of the GCF report to the COP; and

(c) Enhanced complementarity and coherence with other climate finance delivery channels.

Overview of OGA Staffing and Budget (in United States Dollars)

Projected Staff Headcount at mid-2019	Estimated staff cost	Consultants	Projected travel	Contractual Services	Common Services	Total
16-18	3,113,582	233,100	205,588	205,000	472,481	4,229,751

4.6.8. Office of Portfolio Management (OPM)

126. The Office of Portfolio Management was newly created in 2018 to oversee the increasing GCF portfolio. While the Office focuses on monitoring progress of projects after first disbursements, it is also actively involved in the initial review of project proposals and related funding agreements, as it is essential that these documents integrate reporting requirements that will enable their effective evaluation. During 2019, OPM will optimize its reporting formats and processes and extend its review to the growing number of projects that will be entering implementation. The first Portfolio Performance Report (PPR) will be presented in October of 2018, at B.21, and the Secretariat will prepare a second for presentation to the Board in the first half of 2019. OPM will also promote operational excellence by supporting a community of practice that draws on the GCF's new operations manual. Over 90% of OPM work is done with in-Secretariat resources.

Key 2019 Work programme deliverables

(a) Delivering disbursements and monitoring results for readiness, including reviewing up to 60 progress and completion reports;

(b) Advancing implementation, disbursements and monitoring results for approved projects, including review of up to 40 APRs;

(c) Further refinement of guidance, reporting formats and results frameworks; and

(d) Contributing to cross-Secretariat efforts on funding proposal review, consolidation of operational processes, and knowledge management.

Overview of 2019 OPM Staffing and Budget (in United States Dollars)

Projected Staff Headcount at mid-2019	Estimated staff cost	Consultants	Projected travel	Contractual Services	Common Services	Total
13-15	2,901,437	126,000	86,822	90,000	376,696	3,580,955

4.6.9. Office of Risk Management and Compliance (ORMC)

127. The Office of Risk Management was established to manage the full range of risks the GCF is exposed to as a consequence of its activities. During 2019, the GCF's risk management and compliance initiatives will include addressing existing compliance policy gaps including the lack of a conflict of interest framework that applies to external parties. 2019 initiatives will also include the development of an annual compliance risk assessment, and the development of standard operating procedures that further elaborate on the standards for anti-money laundering and combating the financing of terrorism. To support the ongoing preparations for

replenishment, the Secretariat will also address policy and operational gaps in Risk and Compliance and address GCF's fiduciary duty requirements as detailed in the initial resource mobilization (IRM). In addition, the GCF will work to incorporate essential tools in the risk management framework, such as a project success rating and a credit risk rating in the funding proposal review process. Finally, it will also assist in the development and implementation of an investment criteria scoring tool to help ensure that the Fund's investments meet its investment criteria. This work, which is important to the achievement of several 2019 Secretariat goal components, will be carried out with support from both the Secretariat staffing budget (line 2.1.1) and from assistance provided through contractual services (budget line 2.3.2).

Key 2019 Work programme deliverables

(a)   Implementation of the compliance framework;

(b)   Elaboration of a conflict of interest framework;

(c)   Deployment of tools to support effective project review and risk management; and

(d)   Contributing to cross-Secretariat efforts on funding proposal review, consolidation of operational processes, and knowledge management.

Overview of 2019 ORMC Staffing and Budget (in United States Dollars)

Projected Staff Headcount at mid-2019	Estimated staff cost	Consultants	Projected travel	Contractual Services	Common Services	Total
14-15	2,596,528	33,000	40,507	842,000*	364,396	3,876,431

*For the continuing development of comprehensive risk and compliance policies/rating methodology and for other consulting services requiring a third party opinion.

4.6.10.   Internal Audit (OIA)

128.   The Office of the Internal Auditor undertakes evaluations with a view to evaluate and improve the effectiveness of the organization's risk management, control and governance process. During 2019, OIA will continue to implement its rolling risk-based three- year internal audit plan; expected audits include audits of the: Division of External Affairs, Division of Mitigation and Adaptation, Human Resources Unit (in Division of Support Services); OGC, PSF, and the Resource Mobilization Unit. In addition, OIA will also follow up the results of recommendations made in its audits to date and may perform advisory engagements at the request of the GCF's Executive Director or Board.   Over 95% of OIAs work is done with in-Secretariat resources.

Overview of 2019 Internal Audit Staffing and Budget (in United States Dollars)

Projected Staff Headcount at mid-2019	Estimated staff cost	Consultants	Projected travel	Contractual Services	Common Services	Total
4	718,413	24,000	32,984	8,994	108,873	893,264

4.6.11.   Office of General Counsel (OGC)

129.   The Office of the General Counsel provides vital cross-cutting legal support across the full spectrum of GCF matters, including in relation to administrative, human resource, procurement, institutional, compliance, operational and reputational matters. It also plays a critical role in cross-divisional teams aimed at developing rules and procedures for the operations of the GCF, developing Board policies, negotiating agreements and amendments to

such agreements, and verifying the conditions necessary to initiate disbursements and the implementation of approved projects, including readiness and project preparation projects. Finally, the Office of General Counsel supports the Board and its Co-Chairs, as well as the independent accountability units, advising on legal issues as they arise.

130. As the GCF has grown, so has its need for legal support. For example, as the number of new AEs grows, the need to negotiate AMAs will continue to grow. Furthermore, as the number of project approvals grows, the need to finalize FAAs and verify conditions of approval also grows. Equally, as the number of projects under implementation grows, so do the projects which require restructuring, amendments and waivers. The demand for legal services to support these and other expanding GCF activities has currently outstripped the current capacity of OGC. Due to its limited capacity relative to its workload, the work of OGC is currently supplemented through the use of procured professional services. While the use of external counsel will continue to be efficient as regards the provision of certain niche extraordinary services, particularly with respect to complex project structures, intellectual property matters and data protection, the use of such assistance to do more routine work is expected to reduce over time as OGC receives increased headcount.

Key 2019 Work programme deliverables

(a)   Supporting accelerated implementation of projects, by negotiating and signing of AMAs (an additional 14 AMAs, in respect of entities accredited prior to 1 September 2018, within 6 months of the date of accreditation for entities accredited thereafter), providing legal review and negotiating and approving terms sheets for over 30 funding proposals which are submitted to the Board for approval, negotiating and signing at least 30 FAAs, and providing legal support on project restructurings, amendments and waivers relating to approved projects;

(b)   Supporting the enhanced delivery of readiness and related matters by negotiating and signing legal agreements to facilitate expedited delivery of readiness, NAP and PPF projects, and organization of structured dialogues;

(c)   Contributing to efficient and effective operational processes and systems by initiating negotiations on at least a further 14 Ps&Is agreements, supporting the contracting of counterparties procured by the GCF, including for the purpose of establishing communities of practice, and providing ongoing legal advice in relation to human resources, including the development of a revised legal framework on HR and advising in relation to staff and consultant disputes;

(d)   Supporting legal aspects of the Board's workload, including in relation to operational and institutional policy development, decision-making, replenishment and trustee-related matters; and

(e)   Provision of cross-cutting legal support to the Co-Chairs, Board and independent units.

Overview of 2019 OGC Staffing and Budget (in United States Dollars)

Projected Staff Headcount at mid-2019	Estimated staff cost	Consultants	Projected travel	Contractual Services	Common Services	Total
17-20	3,739,539	329,200	194,869	1,745,000*	533,317	6,541,926

* Includes USD 1m for external legal due diligence, review and drafting of Funded Activity Agreements and related project documentation (subscription agreements, deeds of incorporation, shareholders agreements, etc.), and advice on local laws and the issuance of legal opinions. In addition, USD .745 million is requested for legal advice on institutional matters (both international and Korean law firms) where the Secretariat does not have the in-house expertise, and for translation services. Examples of institutional matters include, matters relating to intellectual

property and trademark protection, procurement, data protection, dispute settlement, HR and privileges and immunities.

4.7   Interim Trustee

131.   The administrative budget for the Interim Trustee in table 8 includes the estimated costs and expenses of the International Bank for Reconstruction and Development (the World Bank) for the Interim Trustee services of the GCF as estimated by the Interim Trustee. Actual costs for 2019 will depend on the level of services required and may also be adjusted dependent on a Board decision regarding the appointment of a permanent trustee.

Table 6: Interim Trustee: Estimated costs and expenses for the period 2019 (in United States dollars)

		2018 Budget approved at B.18	2019 Draft Budget	Change (2019-2018)	% change
3.1	**Financial and program management**				
3.1.1	Staff costs and expenses	340,000	480,000	140,000	41%
3.1.2	Travel	40,000	40,000	-	0%
	Sub-total: Financial and program management	**380,000**	**520,000**	**140,000**	**37%**
3.2	**Investment Management**	**1,264,000**	**1,400,000**	**136,000**	**11%**
3.3	**Accounting and reporting**				
3.3.1	Staff costs and expenses	33,000	35,000	2,000	6%
	Sub-total: Accounting and reporting	**33,000**	**35,000**	**2,000**	**6%**
3.4	**Legal services**				
3.4.1	Staff costs and expenses	60,000	100,000	40,000	67%
3.4.2	Travel	10,000	10,000	-	0%
	Sub-total: Legal services	**70,000**	**110,000**	**40,000**	**57%**
	Grand total	**1,747,000**	**2,065,000**	**318,000**	**18%**

132.   **Financial and program management:** These items cover: processes and procedures relating to all aspects of financial transactions; management and processing of contributions, including negotiation and execution with contributors, all banking, foreign exchange, payment requests and acknowledgements; executing cash transfers to recipients; regular financial reporting and activities related to preparation of financial statements and external audit. It also includes responding to day-to-day enquiries from Secretariat, Contributors and other Green Climate Fund constituencies and stakeholders, and ad hoc advisory services to the Secretariat on specific issues, as requested. The level of effort required for these items is expected to be higher in 2019 due to increased volume of cash transfers, reporting, and other activities. This would also include drafting and finalizing amendments to the Terms and Conditions pending outcome of the GCF's trustee selection process (including potential wind-up activities).

133.   **Investment management**: This is calculated at 3.5 basis points (0.035%) of the estimated average annual cash balance in the GCF Trust Fund. For the budget estimate, an average balance of US$ 4.0 billion for CY2019 is assumed, based on information provided by the GCF Secretariat. The actual fee will depend on the actual average balances in the GCF Trust Fund, which may be higher or lower than this estimate depending on timing of receipt of cash contributions, GCF requests for cash transfers, etc.

134.   **Accounting and reporting**: This item includes maintenance of appropriate records and accounts to identify contributions and other receipts and GCF Trust Fund liabilities, clearing agreements prior to execution, etc.
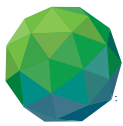
135.   **Legal services:** This includes preparing and negotiating contribution agreements/arrangements with contributors and other agreements and arrangements as required, including with the Fund and review of Fund governance documents as they impact the role of the Interim Trustee. As the GCF IRM contribution period is expected to conclude in 2018 and Interim Trustee mandate to terminate in April 2019, it is expected that an increase in legal services will be required in 2019.

		Approved budget 2019
1	**Board**	
1.1	Board meetings	1,569,155
1.2	Co-Chair and Board representative travel	24,586
1.3	Board committees, panels and working groups	1,843,415
	Sub-total: Board	**3,437,156**
2	**Secretariat**	
2.1	Salaries and consultants	47,541,177
2.2	Travel	2,680,418
2.3	Contractual services, general operating, information technology costs	16,844,252
	Sub-total: Secretariat	**67,065,846**
3	**Interim Trustee**	**2,065,000**
	Grand total	**72,568,002**

Appendix I: 2019 Secretariat Work Programme – Results Framework

Goal 1: Supporting the Board in taking informed decisions, enhancing responsiveness to COP guidance and preparing for replenishment				
Assumptions: **(1) Relevant Board decisions adopted** **(2) Timely and actionable guidance received from the COP** **(3) Continued engagement by other climate finance delivery channels**				
KPIs	**Baseline (as at 31 Aug 2018)**	**Target (by 31 Dec 2019)**	**Division/Unit**	**Means of Verification**
KPI 1.1 Support for informed Board decision-making and closing policy gaps	(a) Over 53 policy documents developed and implemented (cumulative)	(a) Over 75 policy documents developed (cumulative)	Primary: OGA Support: All	Monitoring of number and date of issuance of policy documents prepared, transmitted to the Board and published in the website
	(b) 80% of Board documents issued 21 days before each Board Meeting	(b) 90% of Board documents issued 21 days before each Board Meeting subject to the support of the Co-Chairs		Voluntary briefing program
	(c) Basic information material is sent to incoming Board members via e-mail	(c) A voluntary briefing program in place and available for incoming Board members comprising a dedicated portal and the possibility of on-site visits		
KPI 1.2 Accountability and reporting to the COP	1. (a) Response to COP Guidance to the GCF as mandated from the Board	(a) Response to COP guidance to the GCF incorporated into Secretariat operations after COP and ahead of B.22	Primary: OGA Support: All	Updated Secretariat documents, systems, processes (e.g. IPMS, templates, AIs) that incorporate COP reporting/guidance measures
	(b) 7th Report of the GCF to the COP submitted to UNFCCC Secretariat 12 weeks before COP starts	(b) High quality 8th Report of the GCF to the COP submitted on time to UNFCCC Secretariat, through Secretariat-wide input and quality assurance process		Submission of the 8th Report of the GCF to the COP to the UNFCCC Secretariat 12 weeks before COP 25
KPI 1.3 Preparations and support for replenishment	N/A	Effective Secretariat delivery of all required preparations, inputs and arrangements to implement decisions on replenishment	Primary: OED/DEA	Report on the Activities of the Secretariat

KPI 1.4 Enhanced complementarity and coherence with other climate finance delivery channels	(a) Complementarity and coherence strategies embedded in 10 funding proposals or concept notes (cumulative)	(a) Complementarity and coherence strategies embedded in 15 funding proposals or concept notes (cumulative)	Primary: OGA Support: DMA/PSF/DCP	Report of the Activities of the Secretariat Annual Update on Complementarity and Coherence
	(b) 10 countries engaged in complementarity and coherence as part of the programming, including through readiness and other preparatory resources	(b) 15 countries engaged in complementarity and coherence as part of the programming, including through readiness and other preparatory resources (cumulative)		
	(c) Design and further update of policies, including performance measurement frameworks informed by comparable climate finance delivery channels	(c) Policies developed and performance measurement frameworks finalized using a coherence and complementarity approach		

Goal 2: Strengthening country ownership and NDA capacity, through enhanced delivery of readiness and Secretariat engagement with NDAs and DAEs

Assumptions:

(1) Strong engagement from countries on readiness and country programming, and from Direct Access Entities on accreditation and pipeline development

(2) Countries establish adequate infrastructure and institutional development mechanisms to effectively implement climate change plans and technical assistance programmes

(3) Board approval of readiness budget

KPIs	Baseline (as at 31 Aug 2018)	Target (by 31 Dec 2019)	Responsible Division/Unit	Means of Verification
KPI 2.1 Enhanced delivery of Readiness support (non-NAP)	(a) Number of countries covered under the readiness programme (cumulative): 114	(a) Number of countries covered under the readiness programme (cumulative): 123	Primary: DCP Support: OPM/ORMC	Progress reports on the implementation of readiness and preparatory support programme Portfolio Performance Report
	(b) Number and volume of approvals for readiness activities excluding adaptation planning (cumulative: 183, USD 85.5M	(b) Number of new approvals for readiness activities excluding adaptation planning (non-cumulative): 70, USD 45M	Primary: DCP Support: OPM/ORMC/DSS	
	(c) Number of disbursing approved readiness activities and volume disbursed, excluding adaptation planning (cumulative): 154, USD 30.1M	(c) Number of disbursing approved readiness activities and volume disbursed, excluding adaptation planning (cumulative): 190, USD 80M	Primary: DCP/OPM Support: DSS/ORMC	

	(d) Number of direct access entities supported (including on environmental, social and gender) through approved readiness proposals (cumulative): (i) Pre-accreditation support: 31 (ii) Post-accreditation support: 7	(d) Number of direct access entities supported (including on environmental, social and gender) through approved readiness proposals (cumulative): (i) Pre-accreditation support: 41 (ii) Post-accreditation support: 13	Primary: DCP	
KPI 2.2 Strategic support for NAPs	(a) Number and volume of approvals for NAPs (cumulative): 19, USD 52.5M	(a) Number and volume of new approvals for NAPs (non-cumulative): 25, USD 62.5M	Primary: DCP Support: OPM/ORMC/DSS	Readiness and Preparatory Support Programme: Progress Reports
	(b) Number of disbursing approvals for NAP support, and volume disbursed (cumulative): 16, USD 9.6M	(b) Number of disbursing approvals for NAP support, and volume disbursed (cumulative): 45, USD 37M	Primary: DCP/OPM Support: DSS/ORMC	
KPI 2.3 Enhanced representation of Direct access entities (DAEs)	(a) Number of DAEs accredited (cumulative): 32; At least 54% of all AEs	(a) Number of DAEs accredited (cumulative): 51; At least 60% of all AEs	Primary: (a) DCP (b) DMA/PSF Support: OPM	Accreditation Status Report
	(b) Number and value of DAE proposals (cumulative approvals): 19, USD 547M (Private 6, 229M; Public 13, 318M)	(b) Number and value of DAE proposals submitted for Board approval (non-cumulative): 13, USD 600M (Private 7, 450M; Public 6, 150M)		Status of GCF portfolio: approved projects
KPI 2.4 Monitoring and sharing of readiness outcomes	(a) Number of readiness Interim Progress Reports reviewed (cumulative): 36	(a) Number of new readiness Interim Progress Reports reviewed (non-cumulative): 42	Primary: OPM Support: DSS/OED	Readiness Portfolio Analysis Dashboard
	(b) Number of Readiness Completion Reports reviewed (cumulative): 4	(b) Number of new Readiness Completion Reports reviewed (non-cumulative): 22		Pilot Readiness Knowledge Bank Platform
	N/A	(c) Readiness knowledge bank promoted to share outcomes, knowledge, lessons learned and good practices among NDAs/FPs/DPs/AEs		

Goal 3: Strengthening efforts to assess and articulate the climate impact of GCF activities, to help build a paradigm shifting portfolio

Assumptions:
(1) Country-level buy in to integration of climate change strategies and development planning and goals

(2) Establishment of effective learning processes that lead to improved understanding of climate change impacts, vulnerabilities and opportunities for action within the Secretariat and amongst its partners and internal and external stakeholders **(3) Strong engagement by global partners and technical experts**				
KPIs	**Baseline** **(as at 31 Aug 2018)**	**Target** **(by 31 Dec 2019)**	**Responsible Division/Unit**	**Means of Verification**
KPI 3.1 Publication of sectoral strategies/guides	N/A	Number of sectoral strategies/guides prepared: 8	Primary: DMA Support: OED/ DCP/PSF/OPM	Publication of sectoral strategies/guides
KPI 3.2 Enhanced climate rationale embedded in GCF financed projects/programmes	N/A	(a) Publication of guidance paper on developing strong climate rationale for GCF proposals, and development of appraisal toolkit for NDAs/ FPs/AEs/DPs	Primary: DCP Support: DMA/PSF/OED	Publication of paper on climate rationale for projects/programmes Dissemination of appraisal toolkit Report on the Activities of the Secretariat
		(b) Partnerships developed with leading institutions to support NDAs/AEs to prepare CNs and FPs with strong climate rationale		
KPI 3.3 Establishment of communities of practice	N/A	Network of global experts recruited to strengthen technical input to GCF review processes, guidance and knowledge products across GCF's eight result areas and key thematic areas	Primary: OED Support: DMA/PSF/DCP	Report of the Activities of the Secretariat
KPI 3.4 Reform and systematization of second level due diligence	N/A	Guidelines and toolkit on second level due diligence developed and operationalized to bring stronger consideration of climate impact, investment criteria, project success and improve efficiency.	Primary: OED Support: ORMC/DMA/PSF / /OPM/DCP/OIA	Board paper on defining the scope of second level due diligence Report of the Activities of the Secretariat
KPI 3.5 Enhanced gender mainstreaming	86% out of all approved projects contain gender action plans and gender disaggregated data	100% out of all approved projects contain gender action plans and gender disaggregated data	Primary: DCP Support: DMA/PSF/OPM	Secretariat assessment of integration of gender elements in FPs APRs
KPI 3.6	N/A	Secretariat-wide KM system, action plan, tools and IT support systems developed	Primary: OED	Report of the Activities of the Secretariat

| Institutionalization of knowledge management (KM) | | and operational; knowledge and lessons learned captured and managed | Support: All | |

<table>
<tr><td colspan="5">Goal 4: Operationalizing a proactive and strategic approach to programming, including through well - coordinated, strategic country and entity work programmes, and the development of a framework for more formalized annual GCF pipeline and business planning</td></tr>
<tr><td colspan="5">Assumptions:
(1) Board adopts decisions to set direction on financial and strategic planning
(2) Geopolitical and economic circumstances are favorable to GCF's mandate
(3) Countries and entities are responsive and engaged in work programming</td></tr>
<tr><td>KPIs</td><td>Baseline
(as at 31 Aug 2018)</td><td>Target
(by 31 Dec 2019)</td><td>Responsible Division/Unit</td><td>Means of Verification</td></tr>
<tr><td rowspan="2">KPI 4.1
Framework for annual GCF pipeline and business planning</td><td rowspan="2">N/A</td><td>(a) Initial framework for annualized GCF pipeline and business planning developed</td><td>Primary: OED
Support: DMA/PSF/DCP</td><td rowspan="2">Report of the Activities of the Secretariat</td></tr>
<tr><td>(b) Monthly strategic pipeline review established to implement decisions on financial planning</td><td>Primary: OED
Support: DMA/PSF/DCP</td></tr>
<tr><td>KPI 4.2
Review and feedback on concept notes and funding proposals</td><td>Number of CNs and FPs reviewed and receiving feedback (non-cumulative): 133
(Private 24, Public 109)</td><td>Number of CNs and FPs reviewed and receiving feedback: 115
(Private 25, Public 90)</td><td>Primary: DMA/PSF
Support: OPM/DSS/ORMC/DCP</td><td>Report of the Activities of the Secretariat</td></tr>
<tr><td>KPI 4.3
Number and volume of funding proposals submitted for Board approval</td><td>(a) Total FPs (cumulative: approved)
Number: 74 (Private 15, Public 59)
Volume: USD 3,512M (Private 1,364M, Public 2,148M)

(b) Regular FPs
Number: 69 (Private 13, Public 56)
Volume: USD 3,433M (Private 1,324M, Public 2,109M)</td><td>(a) Total FPs (non-cumulative: submitted for Board approval)
Number: 29-34 (Private 12, Public 17-22)
Volume: USD 1,450-1,500M (Private 750M, Public 700-750M)

(b) Regular FPs
Number: 16 (Private 6, Public 10)
Volume: USD 1,042M (Private 542M, Public 500M)</td><td>Primary: DMA/PSF
Support: OPM/DSS/ORMC/DCP</td><td>FPs passed independent assessment of the quality of proposals and allocated FP number for Board consideration</td></tr>
</table>

	(c) SAPs Number: 1 (Public 1) Volume: USD 9.3M (Public 9.3M) **(d) MFS** Number: None Volume: None **(e) EDA** Number: 2 (Public 2) Volume: USD 30M (Public 30M) **(f) MSME I** Number: 2 (Private 2) Volume: USD 40M (Private 40M) **(g) REDD+** Number: None Volume: None	**(c) SAPs** Number: 8-13 (Private 3, Public 5-10) Volume: USD 80-130M (Private 30M, Public 50-100M) **(d) MFS** Number: 3 (Private 3) Volume: USD 178M (Private 178M) **(e) EDA** *PSF/DMA have no plan for EDA projects. **(f) MSME I** *PSF/DMA have no plan for MSME projects. **(g) REDD+** Number: 2 (Public 2) Volume: USD 150M (Public 150M) *PSF has no plan for REDD+ projects.		
KPI 4.4 More focused and aligned country work programmes (CWP)	(a) Number of countries strategically engaged[1] or supported to deliver a high quality CWP (non-cumulative): 20	(a) Number of countries strategically engaged[3] or supported to deliver a high quality CWP (non-cumulative)[3]: 12	Primary: DCP Support: DMA/PSF	Readiness and Preparatory Support Programme: Progress Reports
	(b) Country programmes which are climate-focused and have gone through national consultation processes: 10	(b) Number of countries that receive technical support[2] from the GCF Secretariat to expedite development of their CWPs in		

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[1] Strategic engagement includes on-site, cross-divisional missions to support NDAs/FPs with the aim to: (i) increase their capacity to articulate and implement the country's strategy or Country Programme and undertake low-emission and climate-resilient development in alignment with national priorities; and (ii) facilitate identification of investment priorities for the GCF, including other prospective sources of funding and areas for engagement, in a manner that effectively promotes country ownership.

[2] Technical support refers to support provided by the GCF independent of a country's use of its annual Readiness resources allocation and includes cross-Secretariat review of CWPs and advisory services made available by the Secretariat in support of the development of CWPs.

		alignment with GCF guidelines (cumulative): 50		
KPI 4.5 Enhanced engagement with AEs to facilitate entity work programming (EWP)	Number of AEs strategically engaged to develop or update an EWP (cumulative):[3] (i) Direct access entities: 8 (ii) International access entities: 6	Number of AEs strategically engaged to develop or update an EWP (cumulative):[4] (i) Direct access entities: 10 (ii) International access entities: 5	Primary: DCP Support: DMA/PSF	Status of accreditation matters Readiness and Preparatory Support Programme: Progress Reports
KPI 4.6 Support for Project Preparation	Number of high-impact concept notes & associated PPF applications developed with project preparation technical assistance: 5	Number of new high-impact concept notes & associated PPF applications developed with project preparation technical assistance: 25	Primary: DCP/DMA/PSF Support: ORMC/OPM	Evaluation of PPF data on dates of submission, review process, milestones, and disbursements Evaluation of number of approvals and disbursements
	Number of PPF applications and concept notes reviewed (cumulative): 56	Number of new concept notes cleared for PPF support & associated PPF applications reviewed (non-cumulative): 40	Primary: DCP/DMA/PSF Support: OPM/ORMC	
	Number and volume of PPF requests approved (cumulative): 12, USD 8.8M (8 DAEs; 4 IAEs)	Number and volume of new PPF requests approved for cleared concept notes (non-cumulative): 32, USD 16.8M (22 DAEs; 10 IAEs)	Primary: DCP Support: OPM/DSS/ORMC/DMA/PSF	
	Number of PPF proposals receiving disbursements and value (cumulative): 6, USD 4.8M (4 DAEs; 2 IAEs)	Number of PPF proposals receiving disbursements and value (non-cumulative): 20, USD 10M (12 DAEs; 8 IAEs)	Primary: DCP/OPM Support: DSS/ORMC	
KPI 4.7 Major dialogues/conferences with countries and AEs	Number of major dialogues/conferences with countries and AEs to date: 6 (4 Structured Dialogues, 1 DAE workshop, 1 NDA conference)	Number of major dialogues/conferences with countries and AEs in 2019: 7 (5 Structured Dialogues, 1 DAE workshop, 1 NDA conference)	Primary: DCP Support: All	Readiness and Preparatory Support Program: Progress Reports Report of the Activities of the Secretariat

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[3] Strategic engagement includes cross-divisional support to AEs, with the aim to enhance the partnership between the GCF and the AE, including through identification of a partnership strategy, and facilitation of the development and implementation of Entity Work Programmes.

[4] Ibid.

Goal 5: Accelerating implementation and managing for results, by working to move an additional 44 approved projects into implementation, and effectively monitoring progress in achieving key climate results				
Assumptions: **(1) Accredited Entities (AEs) and countries committed to implementing climate change projects/programmes financed by GCF** **(2) AEs conform to processes and procedures established by GCF to accelerate implementation, including taking the necessary steps to make their AMA effective.** **(3) Board adopts relevant policies to help close implementation gaps**				
KPIs	**Baseline** **(as at 31 Aug 2018)**	**Target** **(by 31 Dec 2019)**	**Responsible Division/Unit**	**Means of Verification**
KPI 5.1 AMAs signed and effective	(a) AMAs signed with entities accredited up to 1 September 2018 (cumulative): 45	(a) AMAs signed (cumulative): [5] 59	Primary: DCP Support: OGC/PSF/DMA/OPM/ORMC/DSS	Reports on the Status of AMAs at each Board meeting
	(b) AMAs effective (cumulative): 30 (51%)	(b) AMAs effective (cumulative): 44 (75%)		
	N/A	(c) 75% of new AMAs signed within 6 months of accreditation with entities[6]		
KPI 5.2 Projects under implementation	(a) FAAs signed (cumulative): 41[7] (Private 8, Public 33)	(a) FAAs signed (cumulative): 76 (Private 17, Public 59)	Primary: DMA/PSF Support: OGC/ OPM	Report on the Status of FAAs at each Board meeting
	(b) Number of projects under implementation/FAA effective (cumulative): 31 (Private 6, Public 25)	(b) Number of projects under implementation /FAA effective (cumulative): 74 (Private 15, Public 59)	Primary: OPM	Status of GCF portfolio: approved projects
	(c) Value of projects under implementation (cumulative): 1,429M (Private 696M, Public 733M)	(c) Value of projects under implementation (cumulative): 3,585M (Private 1,445M, Public 2,140M)	Primary: OPM	
KPI 5.3	(a) Number of projects receiving disbursements (cumulative): 26	(a) Number of projects receiving disbursements (cumulative): 51-55	Primary: DMA/PSF/OPM	Status of GCF portfolio: approved projects

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[5] This indicator will be tracked with entities accredited up to 1 September 2018.

[6] This indicator will be tracked with entities accredited up to 1 September 2018.

[7] FP028 has two FAAs by each financial instrument. FP026 has two FAAs by each AE. One FAA for CI has been signed but the other FAA for EIB is not signed yet.

Disbursing projects	(Private 6, Public 20)	(Private 11-15, Public 40)	Support: DSS/ORMC	PPR
	(b) Actual disbursed amounts (cumulative): USD 372M (Private 283M, Public 89M)	(b) Projected aggregate disbursements (cumulative): USD 900-1,400M (Private 500-700M, Public 400-700M)		
KPI 5.4 Results-focused project/program review and monitoring	18 APRs reviewed	(a) 31-40 new APRs reviewed	Primary: OPM Support: DSS	APRs
		(b) Guidance provided to AEs, NDAs/FPs/DPs on improving M&E systems		PPR
		(a) PPR delivered that identifies actual and projected impacts of portfolio and captures lessons learnt		

Goal 6: Efficient and effective operational processes and systems for resource management and administration

Assumptions:

(1) The conclusion of privileges and immunities (P&I) agreements depends on the willingness from countries to grant GCF P&I, including the completion of the relevant internal approval process.

(2) Adoption of relevant Board decisions

KPIs	Baseline (as at 31 Aug 2018)	Target (by 31 Dec 2019)	Responsible Division/Unit	Means of Verification
KPI 6.1 Privileges and Immunities (P&I) agreements in place	Number of P&I agreements concluded to date (cumulative): 19	Initiation of the negotiation of P&I agreements with 14 countries, with a view to signing up to 2 P&I agreements	Primary: OGC Support: OED/DCP	Status report on P&I
KPI 6.2 Communications strategy implemented	Communication strategy approved by SMT	Communication strategy adopted by the Board and implemented by the Secretariat	Primary: DEA Support: All	Board paper on communication strategy
KPI 6.3 Secretariat staffing	Number of permanent staff: 208	Number of permanent staff: 250	Primary: HR	HR status update report to the Board
KPI 6.4	10 number of learning and development workshops	25 number of learning and development workshops (cumulative)	Primary: HR	HR status update report to the Board

Strengthened learning and development				
KPI 6.5 Socialization of Operations Manual	Operations Manual developed	Operations Manual updated following each Board Meeting. Quarterly training workshops and socialization with divisions and units	Primary: OPM	Report of the Activities of the Secretariat
KPI 6.6 Innovative and responsive ICT solutions/services	(a) Percent of overall technical systems and services in use that saw first introduction or major improvements in 12 months (cumulative): 50%	(a) Percent of overall technical systems and services in use that saw first introduction or major improvements in 12 months (cumulative): 75%	Primary: ICT	Monthly ICT portfolio report
	(b) Average time to turn approved ICT objectives into delivered IT products: 6 months	Average time to turn approved ICT objectives into delivered IT products: 3 months	Primary: ICT	Project closure report
KPI 6.7 Implementation of Compliance Framework	Compliance TOR approved and implemented	Compliance Framework implemented	Primary: ORMC	Conflict of Interest Framework (including external parties) Annual compliance risk assessment Development and implementation of Standard Operating Procedures elaborating on AML/CFT Standards
KPI 6.8 Audits performed	Number of audits performed (non-cumulative): 4	Number of audits performed (non-cumulative): 7	Primary: OIA	Audit reports issued to the ED

Appendix II: Total budget including independent units budgets

		2018 Approved Budget	Draft 2019 Projection	Increase/(Decrease) in 2019 draft budget over approved 2018	% change
1	Board	3,337,045	3,437,156	100,111	3%
2	Secretariat	58,473,960	67,065,846	8,591,886	15%
3	Interim trustee	1,747,000	2,065,000	318,000	18%
4	Independent Units				
	Independent Redress Mechanism Unit	911,820	1,161,220	249,400	27%
	Independent Integrity Unit	1,612,950	1,762,950	150,000	9%
	Independent Evaluation Unit	2,953,867	4,832,800	1,878,933	64%
	Grand total	**69,036,642**	**80,324,972**	**11,288,330**	**16%**

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