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Work programme of the Secretariat for 2017 and adjusted administrative budget
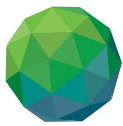
Summary

This document presents the work programme of the Secretariat for 2017 in accordance with the responsibilities assigned to it by the Governing Instrument for the GCF and consistent with the direction of the Board in its decisions and strategic plan. In some cases, it also suggests adjustments to the Secretariat's administrative budget for 2017.

Under decision B.16/01, the Board approved the priorities set out in this work programme of the Secretariat for 2017, in accordance with paragraph 23(e) of the Governing Instrument for the GCF.

* This document has been updated to reflect the date of approval and the changes proposed and approved by the Board during B.16.

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Executive summary

The work programme of the Secretariat for 2017 together with an adjusted administrative budget for 2017 is being submitted in fulfillment of decision B.15/14, paragraph (c), and paragraph 23(e) of the Governing Instrument for the GCF. The work programme provides a description of priority initiatives planned in each of the Secretariat's main divisions and offices, the expected workflow through its main programmes, and related staffing.

The executive summary provides an overview of the current state of the Secretariat, the budget and staffing requests that the Secretariat is submitting to the Board, and the anticipated 2017 work in the major programme areas.

Over the last four years, the work of the Secretariat has been shifting from the development of policy documents and frameworks to the implementation of the project cycle. However, the Board's request for policy papers and the Secretariat's priorities across nearly all of its divisions and offices demonstrate that much foundational work remains to be completed. The foundational expansion also extends to Secretariat staffing.

- By the start of the sixteenth meeting of the Board, the Secretariat expects to have close to 100 regular staff employees on duty in Songdo, Incheon, Republic of Korea;
- Forty of those will have been in their positions for under six months, including those in the key management positions of Executive Director and Directors of two of the three GCF programmatic divisions (Mitigation and Adaptation Division, and the Private Sector Facility); and
- Only 21 staff members will have been in their positions for over two years and only 6 of those are in the divisions responsible for implementing core GCF programmes.

The Secretariat's recent analysis establishes that it currently needs a staff level of 180 to carry out its essential work without the current delays. Accordingly, the Secretariat is seeking the mandate to work towards the achievement of that 180 staffing level during 2018.

As the Secretariat clearly lacks that essential capacity now, it must use its delegated authority to shift available funds between the budget lines for staff and consultants.

It is the Secretariat's 2017 priority to move as many of the approved projects into an implementation stage, while at the same time, managing the expansion of a strategically developed country-driven project pipeline. We are asking for an adjustment to the budget that would allow us to add to the 2017 contractual services budget line, the unused portion of 2016 contractual services funding, with the understanding that this would be a one-off request and would not establish a new standard budget level for contractual services.

At best, the mitigation and adaptation deliverables of Secretariat projects for 2017 include:
- Thirty to thirty-seven mitigation and adaptation funding proposals with an indicative GCF value in the range of USD 2–2.5 billion.

It is important to note that the pipeline is growing at about 10 per cent per meeting, and should be expected to accelerate as the GCF works to add more accredited entities (AEs). The work programme presents the urgent need to ensure that the focus on processing existing projects does not divert the Secretariat from increasing support to countries and AEs. This will be essential if the GCF is to pivot towards higher-quality submissions that better reflect both country priorities and GCF ambition for high impact, transformational action. In fact, failure to invest now in that downstream work will undoubtedly lead to a continuation of the time-consuming project finalization delays associated with ensuring the fulfillment of independent

Technical Advisory Panel and Board conditions on approval. Furthermore, investing in those areas should include deploying GCF resources regionally, where they can be of direct assistance to its clients.

The Secretariat is implementing an Operations Task Team, to help clear as many accreditation master agreements, funded activity agreements and conditions of agreement as possible. Nevertheless, tackling a bottleneck by shifting limited staff from one point in the project cycle to another cannot be the answer. The Secretariat needs more staff, and pending their arrival, it needs to hire critical assistance. With essential assistance, the Secretariat believes there is a high probability that:

- Eight to thirteen of the pre-2017 approvals could move through GCF processing; and
- Disbursements of between USD 160 million and USD 250 million on pre-2017 projects is possible.

In terms of accreditation, the Secretariat currently expects to add 20 new AEs this year. While that will be welcome, as the work programme explains, managing the expectations of the more than 100 entities not considered now for accreditation will be important in that process. The Secretariat needs additional staff and resources in order to address the AE backlog in a planned manner that also takes into account the Secretariat's capacity to review the projects that those AEs may submit.

The Readiness and Preparatory Support Programme is also poised for a full year in 2017 as follows:

- Expected submissions of over 150 requests and approvals of up to USD 100 million;
- Expected disbursements of between USD 40 million and USD 60 million for already approved activities;
- Execution of a schedule of calls for requests and deadlines for action to enhance predictability; and
- Enhancement of its web-based request process in order to make it easier to utilize.

The Secretariat is also working to operationalize a number of additional programmes as follows:

- The Project Preparation Facility already has 14 proposals scheduled to be assessed through the first two quarters of 2017 and the Secretariat should be in a position to process 30 Project Preparation Facility requests in 2017;
- The micro-, small- and medium-sized enterprise pilot programme – already delivering proposals for Board review in 2017;
- The mobilizing funding at scale pilot programme will get off the ground in 2017 through the launch of a request for proposals; and
- The enhanced direct access pilot programme will also become operational in 2017.

In addition to focusing on GCF programmatic areas, the work programme discusses other critical work streams, including the preparation of 30 status reports and over 40 policy documents targeted for Board consideration in 2017, coordinating with United Nations Framework Convention on Climate Change constituted bodies and supporting the Board in addressing United Nations Framework Convention on Climate Change guidance, supporting 6 regional and 40 country dialogues, supporting the development of work programmes for all AEs, and the operationalization of a new Portfolio Management Unit, a new Risk Management Office, and a new Office of the Internal Auditor.

I.   Introduction

1.   In accordance with paragraph 1 of the Governing Instrument for the GCF, 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 to combat climate change". In this regard, 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".[1] By extension, paragraph 2 of the Governing Instrument directs the GCF to accomplish this goal "by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change". These key provisions can be seen as the overarching mandates of the GCF, and they help guide the work of the Secretariat that was established "to service and be accountable to the Board".[2]

2.   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". Consistent with that mandate, decision B.15/14, paragraph (c), requested the Secretariat to submit a 2017 work programme and any required budget adjustments for the consideration of the Board at its sixteenth meeting. This document contains the Secretariat work programme for 2017 together with a revised administrative budget for 2017 and is being submitted in fulfilment of these mandates.

3.   In the initial years of the GCF, the Secretariat's work focused on supporting the development of policies and procedures aimed at enabling the Board to establish the GCF structure and its ability to initiate operations. While this work continues, the current work of the Secretariat is much more extensive and complex than in its earlier years. Now, the Secretariat must also work with all GCF stakeholders to implement and normalize the operation of the project and programme cycle and the many Board decisions in a coherent, mutually supportive manner. This substantial effort is made even more ambitious by the fact that the Secretariat is striving to perform these vital functions, while at the same time it is continuing to expand its operational frameworks and is striving to hire and maintain the essential human resources needed to perform this work.

4.   As the work of the Secretariat has grown, the challenges of communicating that work to the Board has also grown. In order to focus this effort, the Secretariat's 2017 work programme will not include a review of the day-to-day activities that are essential in enabling the Secretariat to carry out its mission as an independent entity. The work programme will focus on the Secretariat's expected 2017 work in key programmatic areas such as the GCF's mitigation and adaptation windows, the Readiness and Preparatory Support Programme, the accreditation process, the Project Preparation Facility (PPF)and the Private Sector Facility. In addition, the work programme will illustrate the work being done in its key offices. Finally, for all of its divisions and offices, it will list and/or discuss the priority initiatives that will be undertaken in 2017.

5.   With regard to 2017 priority initiatives, the work programme will highlight the following four types of important activities:

(a)   Significant, required deliverables (e.g. the Secretariat will finalize 2016 financial reports and ensure their audit);

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[1] UNFCCC decision 1/CP.21.
[2] Governing Instrument, paragraph 19.

(b)   Initiatives that will bring about a change in the current course of the Secretariat's work (e.g. the establishment and operationalization of a Portfolio Management Unit in 2017);

(c)   The preparation of specific policy papers for Board consideration and/or initiatives that respond to the mandates of the Conference of the Parties to the UNFCCC (COP) (the Secretariat is currently expected to prepare over 40 policy papers for the Board in 2017, as well as the Board's report to the COP); and

(d)   Initiatives that involve a notable expansion of effort in important areas (e.g. during 2017, the Private Sector Facility will enhance engagement with private sector actors in an effort to increase their participation in GCF projects).

6.   Priorities in the first three categories tend to be binary in nature, in that it will be easy for both the Board and the Secretariat to assess if the related initiative has or has not been completed. With regard to initiatives in the latter category, while an effort has been made to quantify expectations, in some cases, future reporting of progress on some of those initiatives would likely be more explanatory or qualitative in nature.

7.   In terms of outline, the work programme will begin with a brief overview of the Secretariat's overall structure and staffing. It will then move to discuss the programmatic work of the Secretariat and related priority initiatives, primarily in the context of the Secretariat divisions and offices responsible for their implementation. In some cases, related matters will be discussed in a more stand-alone manner rather than as a component of the work of an office or division. Finally, a results framework to monitor the work programme of the Secretariat is presented in annex IV. The framework conceptualizes and documents the results that each division/office of the Secretariat is expected to deliver and sets them out in a clear and logical manner. In essence, the framework illustrates a 'cause-and-effect model'. It will support the Board in reviewing the results that the Secretariat intends to achieve using key performance indicators, linked to the draft work programme for 2017. The overall outcome is aligned to the work plan for the Board.

8.   While preparing the work programme in this structure has helped to categorize the programmes and priority initiatives of the Secretariat in the framework of its organizational components, the Secretariat wishes to ensure that such a division does not obscure an essential focus on its overarching integrated goals. Accordingly, the Secretariat has identified the following five overarching goals to help to guide the work of the Secretariat for 2017:

(a)   To finalize as many accreditation master agreements (AMAs), funded activity agreements (FAAs), projects and required agreements as possible and to **maximize** related **disbursements** in order to jump start the **implementation** of approved projects and activities and to advance work on the ground;

(b)   To work to **operationalize** the procedures to initiate **a proactive and strategic approach to country programming**, including through the enhanced dissemination of results area guidance and the issuance of more strategically developed requests for proposals (RFPs), in order to develop and expand a robust pipeline of high-quality, high-impact, country-driven projects that include increased submissions from direct access and private sector entities

(c)   To further strengthen the accredited entity **(AE) work programme** process to enhance predictability for countries and AEs, and enable the Secretariat to calibrate demand relative to available funds and its capacity to deliver;

(d)   To build and deploy a **Secretariat staff** of sufficient size, talent and global reach to enable it to meet both immediate needs and projected medium-term demands; and

(e)   To support the Board in implementing any decisions related to arrangements for the initiation of the **replenishment process** and the selection of a **Permanent Trustee**.

9.   Finally, while the Secretariat's work programme stands alone, it reflects the priorities of the Board's work plan and will be adjusted as the Board gives effect to its plan.

II.   Structural overview of the Secretariat as at February 2017

10.   The structure of the Secretariat has evolved and become increasingly specialized over time to meet new demands. That said, the Secretariat continues to carry out a significant portion of its work through the Office of the Executive Director and the four primary divisions that have existed since its initial structure was discussed. Those four divisions are: the Country Programming Division (CPD), the Mitigation and Adaptation Division (M&A), the Private Sector Facility Division (PSF), and the Division of Support Services (DSS). The first three divisions house the major GCF programmes noted in paragraph 4 above. The fourth, DSS, performs a number of administrative, financial, human resource and management functions that are critical in ensuring financial accountability and in enabling the Secretariat to service the Board and function as a fully independent entity. Also supporting the Secretariat as a whole are the Office of the General Counsel (OGC), the Office of the Secretary to the Board (OSB), the Office of Risk Management (ORM) and the Office of Internal Audit (OIA).

11.   Given the structural focus of the work programme, in the course of the description of the programmatic entities and their work (and in particular, in the discussion on human resources on section 7.2 below), references will be made to the Secretariat's staffing plans for 2017. In order to frame related discussions, the following overview of Secretariat staffing challenges may be instructive.

12.   By the start of the sixteenth meeting of the Board (B.16), the Secretariat expects to have close to 100 regular staff employees on duty in Songdo, Incheon, Republic of Korea. Of those, 40 positions will be filled by individuals who will have been in their positions for under six months. Those include the key management positions of Executive Director and Directors of two of the three GCF programmatic divisions (Mitigation and Adaptation Division, and the Private Sector Facility). In terms of institutional memory, by B.16, only 21 staff will have been in their positions for two years or more, and only six of those are in the programmatic divisions responsible for expanding and implementing the GCF primary programmes. While the continuing arrival of new staff will be a welcome and a critical boost for the Secretariat, the organization will face near term challenges in assimilating those new staff into the GCF and the operationalization of its evolving programmes. In addition, as will be discussed later in this work programme, the Secretariat believes that an additional staff allocation will be critical to enabling it to carry out the expanding GCF workload. Finally, the importance of the Secretariat's direct work with countries and accredited entities has continued to grow, and the Secretariat's guidance is becoming increasingly important as the GCF pivots to more strategic programming and pipeline development.

III.   Office of the Executive Director

13.   The Executive Director of the GCF is responsible for carrying out a number of critical functions. Significantly, the Executive Director is charged with leading the Secretariat's efforts to establish and maintain effective relationships with the diverse stakeholders of the GCF in order to mobilize resources, ensure essential host government support for the Secretariat and its Board, secure essential support for Secretariat initiatives and ensure the effective implementation of Board decisions. In addition, the Executive Director has responsibilities related to effectively managing the Secretariat's administrative budget and recruiting, retaining and effectively managing a cadre of professional Secretariat staff with a view to supporting the

Board in the continued development and implementation of the key policies, principles, safeguards, standards and guidelines of the GCF.

14.   The Executive Director currently manages these and other activities through a senior management team made up the directors of the Secretariat's divisions and offices, and with the assistance of a single assistant. 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), the Executive Director is currently envisioning augmenting the staff to include an Executive Support Associate and a Relationship Assistant.

Table 1. 2017 budget for the Office of the Executive Director in United States dollars[a]

Staff cost	Consultants	Travel[b]	Contractual services[c]	Common services	Total
1,412,494	374,670	155,139	500,000	170,795	2,613,099

[a] The budgets presented in this document indicate the distribution of funds envisioned as at 1 March; distribution may change during the year to meet evolving needs. Common services in the budgets presented cover such things as utilities, information and communication technology, and printing.
[b] Travel funds noted in this document are indicative. Travel funds are managed centrally and travel is assessed on a case-by-case basis and after consideration has been given to utilizing virtual engagement.
[c] Contractual services is the only area of adjustment to the budget which is requested for approval (see annex III).

15.   With regard to priority initiatives for 2017, OED will lead the Secretariat in achieving the integrated goals discussed in paragraph 7 above. Additional 2017 priority initiatives for the OED include the following:

(a)   To get the Board's approval for a staffing level and structure that, when achieved, will allow for the elimination of most of the delay in processing accreditation applications and funding proposals, including for readiness and preparatory support, for which the Secretariat's current lack of capacity is responsible;

(b)   To oversee the recruitment and maintenance of the staff needed to enable the effective implementation of GCF programmes and to meet the needs of the Board;

(c)   To effectively integrate newly hired management and staff into a cohesive GCF team by advancing a culture of productivity, empowerment and entrepreneurship;

(d)   To establish new Secretariat teams to facilitate the timely resolution of policy issues that arise within the Secretariat's delegated purview;

(e)   To reach agreement with the Board on dynamic processes for establishing priorities and enhancing the quality and timeliness of Secretariat documentation; and

(f)   To represent the Secretariat in relevant international outreach activities.

IV.   Country Programming Division

16.   The Country Programming Division 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, CPD is responsible for identifying and providing initial GCF 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 GCF effort to enable strategic programming through support for the development of strategic frameworks, and country driven projects and programmes that align with key results area guidance. These units and the Secretariat more broadly are also supported by two CPD staff focusing on the GCF gender and environmental and social safeguard policies.

Table 2. 2017 budget for the Country Programming Division in United States dollars

Staff cost	Consultants	Travel	Contractual services[a]	Common costs	Total
4,218,301	184,800	553,504	1,550,000	797,044	7,303,650

[a] Contractual services is the only area of adjustment to the budget which is requested for approval (see annex III).

17.   **Country Operations and Dialogue Unit**: The Country Operations and Dialogue Unit of CPD is currently envisioned to host six full-time employees, including a Country Operations Dialogue Manager, and one or more specialists focusing on countries in each of the regions of Africa, Asia and the Pacific, and Latin America and the Caribbean. This unit performs a wide range of important functions, including helping to establish the NDAs/FPs understanding of the GCF and its policies, strengthening their capacity to facilitate the preparation of robust strategic frameworks such as country programmes and national adaptation plans, and, supporting their efforts to oversee the development of concept notes and a pipeline of high-quality, transformational funding proposals aimed at meeting countries' identified needs. This vital relationship and knowledge-building effort is carried out through regular conference calls, country visits to the Secretariat, support for and participation in national country dialogues, and active participation in the structured dialogues that CPD manages in each region annually. These engagements provide an important opportunity for CPD and other parts of the Secretariat to have direct discussions with countries on enhancing private sector engagement and alignment of country work with the results management framework of the GCF. As a 2017 priority initiative, CPD will support and participate in structured dialogues in six regions (Africa, Asia, the Caribbean, Central Asia and Eastern Europe, Latin America, and the Pacific). Further, CPD will lend support to NDAs (through guidance on the agenda, help with presentation materials, virtual or in-person presentations) to enable them to organize effective GCF stakeholder workshops funded by the Readiness Programme in at least 40 countries.

18.   In addition to providing direct technical and information support, CPD and its Country Operations and Dialogue Unit will support the development of country programmes and NAPs. CPD also oversees the operationalization of the Readiness and Preparatory Support Programme's activities and the PPF.

4.1   Readiness and Preparatory Support Programme

19.   Over the last four years, the Board has guided the establishment of an operational programme designed to implement the Governing Instrument mandate to provide readiness and preparatory support for such activities as technical assistance, preparation or strengthening of strategic frameworks, and institutional strengthening in order to enable countries to directly access the GCF. The Readiness and Preparatory Support Programme also advances the strategic goals of building a robust project pipeline and enabling effective AE programme planning. As at the end of 2016, readiness support had been approved for 61 countries, with most activities to date focusing on strengthening NDAs, developing country programmes and supporting direct access entities.

4.2   Readiness demand and work programme projections for 2017

20.   During 2017, the Secretariat expects to review and approve approximately 160 readiness support requests valued at an estimated USD 100 million, and to increase the number of countries accessing readiness support to over 100. It also expects to disburse between USD 40-60 million for approved readiness activities in 2017.

Table 3. Current indicative projections of readiness requests in 2017 by type of activity

Readiness activities	Number of requests
Adaptation planning/programming	20
National designated authority support, including the development of country programmes	50
Strategic frameworks for GCF programming	20
B.14 mandates on REDD-plus and technology	10
Capacity-building support to accredited direct access entities	10
Accreditation support to potential direct access entities	40
Structured dialogues and other knowledge-sharing/learning activities	10
Total	**160**

Abbreviation: B.14 = fourteenth meeting of the Board.

21.   During 2017, the Secretariat expects to see a continuation of the trend towards the increased use of readiness funds for the development of strategic frameworks and the identification of programmes and projects that advance national priorities and align with the results management framework of the GCF. In addition, at least 20 countries have expressed interest in accessing support for NAPs or other adaptation planning processes, and other countries are still in the early stages of exploring the scope of support available in response to the mandates from the fourteenth meeting of the Board on REDD-plus and technology.

22.   As a 2017 priority initiative, CPD is enhancing the predictability and efficiency of related support by executing a schedule of calls for requests for readiness support and deadlines for action on those requests as shown in table 4 below.

Table 4. Schedule of calls for requests and deadlines for action

Applicant submission deadlines	GCF decision deadlines	Target start dates
14 February 2017	28 February 2017	1 April 2017
30 April 2017	31 May 2017	1 July 2017
31 July 2017	31 August 2017	1 October 2017
31 October 2017	30 November 2017	1 January 2018

23.   This 2017 initiative is institutionalizing a significant reduction in the time of approval of related requests. As an additional priority initiative, by midyear, the Secretariat will have expanded its web-based readiness support application system to increase the ease and effectiveness of applying for and tracking readiness activities.

24.   In order to address the growing demands on the Readiness and Preparatory Support Programme, and as noted at the fifteenth meeting of the Board (B.15), one of the priorities of CPD during 2017 will be the hiring of a Readiness Programme Manager and an Associate Professional. These experts would help to manage the processes, develop guidance materials, and closely liaise with specialists managing the relationships with countries and direct access entities, as well as with GCF technical specialists. In addition, CPD will continue to rely on outside assistance to manage this programme; four framework agreements have been signed, and as a priority 2017 initiative, CPD has procured external grant administration capacity to expedite and manage the monitoring and other post-approval processes of readiness grants, particularly for those countries accessing support directly.

4.3   Country programme development activities

25.   While country programme development is not a CPD programme per se, the significant work in this area warrants highlighting. By the end of 2016, CPD had assisted 96 countries in initiating the development of country programme drafts, with 17 of those drafts being endorsed by NDAs for sharing with the Board. For 2017, CPD is targeting the initiation of country programme work in the majority of the remaining countries, and is helping over 20 countries to complete their country programmes.

4.4   Programme for accrediting entities to the GCF

26.   As recalled in decision B.08/02 paragraph (a), all entities, including international, regional, national and subnational entities, can apply for accreditation to the GCF. Since the initial call for applications for accreditation on 17 November 2014, 200 entities have registered to apply for accredited entity status and 124 applications have been formally submitted. Of the 124 applications, 48 are now considered to be AEs. That said, as at 1 March 2017, only 18 have signed legal agreements to this effect in place.

27.   The CPD Entity Relations and Accreditation Unit facilitates the process for accrediting entities and managing ongoing relationships. Its work includes: (1) reviewing accreditation applications, (2) obtaining a review of the applications by and recommendations of the Accreditation Panel, (3) preparing related documentation for decisions of the Board, and (4) overseeing the pipeline of AE applicants and approved AEs. In addition, this unit supports the work of the Accreditation Committee; and manages the GCF relationship with the AEs, transmitting key guidance on GCF project- and programme-related requirements. This latter work will expand in 2017, as many additional AEs will move from the application phase to a more operational status. The unit will help to ensure that AEs are mainstreaming GCF policies (including those on environmental and social safeguards, and gender) and are developing AE work programmes that are aligning with both country needs and the GCF results area guidance. As at the end of December 2016, 31 entity work programme briefs were developed and shared with the Board, and the unit is targeting work programme submissions from all 48 of the entities accredited to date.

28.   The AE unit is currently envisioned to host five full time employees, including a senior specialist in charge of the management of the team. In response to decision B.14/08, CPD is in the process of shifting its review of AE applications from a first completed, first served model, to one based on criteria that include the desirability of accrediting more direct access and private sector entities, more entities in the Asia–Pacific and Eastern European regions (due to their current under-representation), and more entities responding to requests for proposals in the areas covered by the GCF pilot programmes for: enhancing direct access; supporting micro-, small-, and medium-sized enterprises (MSMEs); and mobilizing resources at scale which are discussed later in this document.

29.   As a primary 2017 priority initiative, this unit will aim to process an additional 20 AEs for the Board's consideration in a manner that implements the Board prioritization discussed above. Managing the expectations of the more than 100 entities not considered will be important in that process.

4.5   Project Preparation Facility

30.   At its eleventh meeting, the Board authorized the establishment of a Project Preparation Facility targeted at small-scale activities and direct access entities. As agreed through decision B.13/21, the Board made USD 40 million available to the PPF in order to support project and

programme preparation requests from all AEs, especially direct access entities, 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 has only recently become operational, and an initial disbursement for its first approval (a request from the Ministry of National Resources of Rwanda) was processed in November 2016. An internal review process for PPF applications has been set up and is being piloted. Already 14 proposals are scheduled to be assessed through the first two quarters of 2017. The Secretariat should be in a position to process 30 PPF requests in 2017.

4.6   Country Programming Division policy documents for 2017

31.   In addition to the work noted above, CPD will take the lead in developing documents on the following matters for the Board's consideration in 2017:

(a)   An outline of the actions being taken to facilitate an increase in proposals from direct access entities in the pipeline (B.16);

(b)   A kick-start of a performance review of Accreditation Panel members;

(c)   The findings of the performance review of the Accreditation Panel;

(d)   The review of the Gender policy and Gender action plan (eighteenth meeting of the Board (B.18);

(e)   The GCF Indigenous peoples' policy (seventeenth meeting of the Board (B.17));

(f)   The environmental and social management system (B.17);

(g)   The modalities for the use of third-party evidence in the accreditation process (B.16);

(h)   The findings of an assessment, including a gap analysis, of the Adaptation Fund's environmental and social policy and gender policy and recommendations on potential accreditation and fast-tracking (B.17);

(i)   The TOR for the independent evaluation of the Readiness and Preparatory Support Programme (B.16);

(j)   The results of the independent evaluation of the Readiness and Preparatory Support Programme and relevant Board decisions taken for B.18; and

(k)   The country ownership guidelines (B.16).

4.7   Country Programming Division priority initiatives for 2017

32.   Given the above noted discussion, CPD has the following priority initiatives for 2017:

(a)   Enabling the initiation of country programme development in virtually all countries where that work has not yet started, and assisting an additional 20 countries in reaching their programme completion;

(b)   Supporting AEs in the development of their entity work programmes;

(c)   Effectively implementing a schedule of intake for readiness support and deadlines for action on those requests;

(d)   Also effectively implementing a new web-based system to increase the ease and effectiveness of applying for and tracking readiness activities;

(e)   Supporting and participating in country multi-stakeholder dialogues in at least 40 countries;

(f)   Also supporting in at least six regional structured dialogues; and

(g)   Developing the GCF environmental and social management system.

V.   Mitigation and Adaptation Division

33.   As originally envisioned, the Mitigation and Adaptation Division was established to manage all matters relating to the GCF mitigation and adaptation windows with respect to funding proposals implemented through public sector entities. At the time of its establishment over three years ago, the Board approved positions for four M&A technical experts who were tasked with: (1) initiating and maintaining a project and programme pipeline, (2) providing expert support for the review of projects across all eight mitigation and adaptation results areas, and (3) providing support to the Private Sector Facility, CPD country dialogue teams, and national and regional bodies. The support of these experts was recognized by the Board as being important for the success of both the PSF and CPD, and in its initial approval, the Board noted that the division and its initial professional staff would need to be supplemented by expert consultants and general support staff.

34.   Over the last three years, the GCF has indeed scaled up its operations and its project pipeline. As a result, M&A has had to adjust its focus to meet demand. To date, in its role as technical reviewer and coordinator of public-sector projects, M&A has managed: (1) the review of concept note submissions, (2) the compilation of second level due diligence reviews by the Secretariat, (3) the preparation of project documents for review by the Board, and (4) the Board's review and approval of 26 public sector projects. In addition, and at the same time, M&A is continuing to manage the review of new proposals, and 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, CPD is increasingly called to engage with countries and accredited entities in supporting their development of pipelines that align with the GCF results area guidance. This important function, which is meant to support improved project quality at delivery, is still being operationalized, as until now, the division has had to deploy its limited capacity on the strategic priorities of the review of concept notes and funding proposals as well the preparation and review of policy papers.

35.   As noted above, when the division was initially established, the Board anticipated that over time M&A professional staff would have to be supplemented. In that regard, it is important for the Board to understand that at present, neither the growth in M&A staff nor the assistance of consultants has been sufficient to enable the division to fully keep pace with expanding demands. On the positive side, a new M&A Division Director and two new coordinators for both adaptation and mitigation have been selected and will be on board by the end of March 2017. Furthermore, an additional six staff, including three technical experts have been hired for M&A in the last six months. On the other hand, as noted above, staffing shortages have hampered the ability of M&A to fully operationalize all of its key functions, and the division has been operating with acting directors and coordinators for approximately eight months.

Table 5. 2017 budget for the Mitigation and Adaptation Division in United States dollars

Staff cost	Consultants	Travel	Contractual services*ᵃ*	Common costs	Total
3,062,292	454,550	238,937	770,000	740,112	5,265,892

ᵃ There is no adjustment to the amount of contractual services in the administrative budget for the Mitigation and Adaptation Division (see annex III).

5.1 Mitigation and Adaptation Division concept note programming for 2017

36. In accordance with agreed procedures, AEs or intermediaries may, as a voluntary step, submit a brief concept note to the Secretariat with a view to verifying whether the project/programme concept is broadly aligned with the investment framework, results management framework, gender-sensitivity policy, and other requirements of the GCF. As initially envisioned, the time frame for the review by the Secretariat was one calendar month. In practice, concept notes have been of varying length and depth, and their submission has been rising. Specifically, in terms of timing, and given the division's limited capacity, some submissions have taken over four months to address. In terms of numbers, 172 public sector concept notes have been submitted to date, and between B.13 and B.16, the backlog of public sector concept notes has grown from 93 to 150. Of the 150, approximately 60 per cent have received an initial response from the Secretariat. While the value of concept notes and their related review by the Secretariat is difficult to determine, the following may be instructive. Of the 26 public sector projects approved by the GCF to date, 22 were developed from concept notes. Furthermore, of the 37 public sector projects currently in the project pipeline, 17 projects were developed from concept notes. Given that close to 150 concept notes are still in the pipeline, with sufficient resources, the review of and engagement on concept notes could be used more fully to support efforts to build a pipeline of country driven projects that were strategically selected to also advance the goals of transformation, paradigm shifting, and having a high impact.

37. During 2017, M&A will deploy its resources strategically to address as a priority the finalization of already approved projects and programmes and the review of proposals currently in the pipeline. M&A will work with its available resources to engage with AEs and countries, through concept notes and otherwise, with a view to providing strategic advice to the development of country-driven country programmes and projects that align with GCF goals. Given those priorities and the growing number of submissions, the Secretariat would not expect to be able in 2017 to clear the full backlog of concept notes and keep up with the incoming requests in the time frame originally envisioned.

5.2 Mitigation and Adaptation Division funding proposal programming for 2017

38. This section of the Secretariat's work programme draws heavily on the pipeline information presented in document GCF/B.16/Inf.06 titled "Status of the GCF portfolio: pipeline and approved projects". As noted in that document, as at 31 January 2017, the GCF pipeline was comprised of 50 public- and private-sector funding proposals, which request a total GCF funding of USD 3.5 billion to support projects and programmes totalling USD 14.3 billion, when taking co-financing into account.[3] This project pipeline represents an increase of about 10 per cent

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[3] The full list of funding proposals is provided in document GCF/B.16/Inf.06/Add. titled "Status of the GCF portfolio – addendum: list of funding proposals". Due to the deliberative nature of the document, the addendum is made available on a limited distribution basis.

since the last meeting. Based on the level of advancement of each funding proposal,[4] and taking into account the current and projected 2017 GCF review capacity, as at 1 March 2017, it is currently estimated that approximately 22 public sector projects and programmes within the pipeline could be ready for presentation to the Board during 2017. The list of those projects and programmes, which should be considered indicative, is included in table 6 below. It is possible that some of the proposals listed could drop off of the list, and that additional proposals could be brought forward.

Table 6. Indicative list of funding proposals at an advanced stage of review that could be presented to the Board during 2017

Public/ private	No.	Brief proposal name	Project/ programme	GCF amount (million USD)[a]	Financial instrument	Total size (million USD)	Region	LDCs/SIDS / African States	Theme	Direct/ international access	To be presented at B.16?
Public	1	Hydropower sector climate resilience project	Project	50	Grant, loan	133	Asia-Pacific	No	Cross-cutting	International	Yes
Public	2	Climate resilient development programme	Project	109.6[b]	Grant	153	Africa	Yes	Adaptation	International	Yes
Public	3	Agriculture resilience project	Project	21.3[b]	Grant	81.1	Africa	Yes	Adaptation	International	Yes
Public	4	Water conservation project	Project	34.1[b]	Grant	220.6	Africa	Yes	Adaptation	International	Yes
Public	5	Drought resilience project	Project	99.6	Grant	166.9	Africa	Yes	Cross-cutting	International	Yes
Public	6	Hydropower development project	Project	86	Grant, loan	234	Asia-Pacific	Yes	Cross-cutting	International	Yes
Public	7	Climate resilient agriculture project	Project	34.4	Grant	166.3	Asia-Pacific	No	Adaptation	Direct	Yes
Public	8	Adaptive capacity development project	Project	67.2	Grant	75.1	Asia-Pacific	Yes	Adaptation	International	No
Public	9	Agricultural market development programme	Programme	18	Grant	20	LAC	No	Adaptation	International	No
Public	10	Water infrastructure programme	Programme	50	Grant	100	Asia-Pacific	No	Adaptation	International	No
Public	11	Climate change adaptation project	Project	25.6[b]	Grant	86.1	Africa	Yes	Adaptation	International	No
Public	12	Ecosystem-based adaptation project	Project	29.7	Grant	39.9	Asia-Pacific	Yes	Adaptation	International	No
Public	13	Wind development programme	Project	56	Grant, loan	217	Asia-Pacific	No	Mitigation	International	No
Public	14	Energy efficiency project	Project	86.3	Grant, guarantee	653	Asia-Pacific	No	Mitigation	International	No
Public	15	Green cities programme	Programme	181.6[b]	Grant, loan	962	Multiple	Yes	Cross-cutting	International	No
Public	16	Rural climate resilience project	Project	9.4	Grant	10	Africa	Yes	Adaptation	International	No
Public	17	Climate resilient agriculture project	Project	47.8	Grant	53.3	Africa	Yes	Adaptation	International	No
Public	18	Renewable energy investment program	Programme	tbd	Grant	tbd	Asia-Pacific	Yes	Cross-cutting	International	No
Public	19	River basin management project	Project	58.5	Grant, loan	315.3	LAC	No	Adaptation	Direct	No
Public	20	Devolved access to climate finance project	Project	10	Grant	10	Africa	Yes	Adaptation	Direct	No
Public	21	Climate resilience project	Programme	22.5	Grant	27	Africa	Yes	Adaptation	International	No
Public	22	Resilience project phase II	Project	25	Grant	48.8	Asia-Pacific	Yes	Adaptation	International	No
Subtotal (public)				**1,122.7**		**3,772.5**					

Abbreviations: B.16 = sixteenth meeting of the Board, LAC = Latin America and the Caribbean, LDCs = least developed countries, SIDS = small island developing States.

[a] The individual funding amounts are rounded to the nearest tenth.

[b] The requested GCF amount is in euros and is converted into United States dollars at the United Nations operational rate of exchange as at 1 February 2017 (USD/EUR=0.937).

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[4] The level of advancement is determined by a number of factors, including: (1) the completeness of required information and documentation; (2) readiness in project preparation (feasibility study, appraisal, etc.); (3) alignment with the investment framework; and (4) compliance with GCF policies and others.

c The exact funding amount and financial instrument are to be determined. For the funding proposals with ranges of GCF funding requested and a total project size, estimated values are used to calculate the totals.

5.3 Implications of the expanding pipeline relative to review capacity

39.   Over the last several quarters, the GCF has seen an expansion of its overall project pipeline. Specifically, between B.14 and B.16 the full project and programme pipeline has increased by about 10 per cent per meeting. This is both encouraging and expected, as the Secretariat has been working to approve applications for new accredited entities and to support the development of country-driven pipelines. However, while the number of projects in the pipeline has grown, the number of proposals that the Secretariat has been able to present for Board consideration has remained at about 10 per meeting. At the current rate, it would take over a year for the Secretariat and the Board to get through the existing pipeline.

40.   There are reasons to believe that both the number of project submissions and the number of project reviews could increase in 2018. On the project submission side, the approval of new AEs can be expected to bring with it an increase in project submissions. On the project review side, there is reason to believe that new M&A staff could support an increase in the number of reviews. Furthermore, the Secretariat is undertaking efforts to develop guidance and increase the efficiency of its overall project review process, and that effort should help to accelerate the submission of proposals to the Board. It should also be noted that the Board has consistently expressed concern about the number of issues and papers it must engage on at each of its meetings.

41.   On the other hand, submissions from new AEs unfamiliar with the GCF, including those from new direct access entities could necessitate increased review time. Furthermore, as discussed above, some of the new M&A staff will be called on to engage countries and accredited entities in supporting their development of a higher quality project pipeline that aligns with the GCF results area guidance following more strategic and programmatic approaches. Finally, as discussed below, M&A will have to devote considerable resources (including some of its new staff) to the post approval activities which are vital for enabling first disbursements and initiating implementation.

5.4 Mitigation and Adaptation Division/GCF 2017 expectations for initiating the implementation of approved projects

42.   While Board approval of projects and programmes is a critical step in the GCF work cycle, there are several additional post approval steps that must be completed before disbursements can be initiated and project implementation can begin. Firstly, in virtually all cases to date, the Board has made its approval conditional on certain actions that must be agreed with the AE. M&A Task Managers manage the process of working with the AEs to come to agreement on those independent Technical Advisory Panel (TAP) and Board conditions related to public sector project approvals. In addition, before disbursements can start, the AEs must have finalized an AMA and a project-specific FAA with the GCF; M&A works closely with other divisions/offices to finalize related negotiations.

43.   As noted in document GCF/B.16/Inf.06 titled "Status of the GCF portfolio: pipeline and approved projects", of the combined total of 35 public and private sector projects and programmes that have been approved by the GCF, only one, as of the end of 2016, had moved into implementation. Details of the status of each of the remaining approved projects are discussed in document GCF/B.16/Inf.06. As an overview, the Secretariat is pleased to note that AMAs have now been finalized for the accredited entities responsible for 22 of the 35 approved projects. Furthermore, while 32 of the combined projects have not yet completed their FAAs, the Secretariat has created an Operations Task Team to accelerate FAA negotiations and related

processes/decisions, and it is currently believed that with sufficient resources, FAAs could be completed on the majority of those projects by mid-2017, including nearly half of the public sector projects. Finally, to date, only 4 of the 35 approved public and private sector projects have had all of the specific conditions of their approvals fulfilled. The finalization of these steps depends on a number of factors, several of which are outside the control of the Secretariat. That said, the Secretariat believes that the Operations Task Team and enhanced staff support could enable it to make significant progress on clearing projects in 2017. Specifically, a detailed review of the status of ongoing discussions on approved projects suggests that with the requested resources, it is possible that during 2017, 10 or more of the 26 public sector projects approved to date could have fulfilled all of the GCF requirements to begin disbursements and initiate implementation.[5] Given those assumptions, 2017 disbursements on public sector projects and programmes approved before 2017 could be in the USD 60-100 million range. Furthermore, given the fact that seven of the projected 2017 public sector submissions involve AEs which will have finalized their AMAs, it is possible that some of the 2017 approvals will also move to disbursement during this year.

44. While the above-mentioned figures are encouraging, the significant time it has taken to clear the TAP and Board conditions points to the need to consider establishing higher standards for the submission of projects to the Board, and possibly, imposing such standards before the formal inclusion of projects or programmes in the published project pipeline.

45. Given the above-mentioned issues, the Secretariat currently believes it will need additional M&A staff in the near term to meet the expected demand growth on both ends of the project pipeline, as well as to ensure that it is able to work upstream with AEs and countries and to address the growing backlog of concept notes. While these staff and the ongoing measures should help to match the Secretariat's capacity to deliver with the demand for services, the Secretariat believes that it will continue to be important to promote efforts to enhance strategic programming through the operationalization of country and AE work programmes that are developed to be both country-driven and in alignment with GCF results area guidance.

5.5 Mitigation and Adaptation Division priority initiatives for 2017

46. The overarching M&A priorities in 2017 relate to the following core activities:

(a) Facilitating the finalization of as many agreements as possible to enable disbursements and the implementation of already approved projects to begin, with the goal of enabling the implementation in 2017 of over 10 of the 26 public sector projects that have been approved prior to B.16;

(b) Also facilitating the review and submission to the Board of 20 or more new public sector projects that meet GCF policies and guidelines;

(c) Enhancing M&A sector expert engagement with countries and AEs designed to provide high-level strategic advice on the preparation of high-quality, high-impact, transformational projects designed to meet country needs and align with GCF focal area guidance; and

(d) Assigning a Senior/Principal Specialist to support the enhanced direct access pilots and directly support countries, NDAs and direct access entities in the origination of high-quality pilot funding proposals.

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[5] Initial disbursements may be delayed by actions beyond the control of the Secretariat (e.g. conditions requiring governmental approval, the negotiation of the subsidiary agreement between the AE and the executing entity, etc.).

5.6   Mitigation and Adaptation Division policy documents for 2017

47.   In addition to the work noted above, M&A will take the lead in developing documents on the following matters for the Board's consideration in 2017:

(a)   An RFP for REDD-plus results-based payments;

(b)   Further guidance for NDAs and focal points on how to engage with the GCF in the early phases of REDD-plus;

(c)   Alternative policy approaches for the integral and sustainable management of forests;

(d)   The findings of the review of the structure and effectiveness of the independent Technical Advisory Panel;

(e)   A performance review of TAP members;

(f)   A proposal on indicative minimum benchmarks; and

(g)   The Co-Chairs' proposal to address the list of policy matters arising from the consideration of funding proposals at B.15.

VI.   Private Sector Facility Division

48.   The Governing Instrument called for the creation of a **Private Sector Facility** the operation of which would be consistent with a country-driven approach and which would promote the participation of private sector actors in developing countries, in particular local actors, including small- and medium-sized enterprises (SMEs) and local financial intermediaries. It also directed the PSF to support activities to enable private sector involvement in small island developing States (SIDS), the least developed countries (LDCs) and African States.

49.   In order to support its work, the Board established a **Private Sector Advisory Group (PSAG)** to make recommendations to the Board on GCF-wide engagement with the private sector and modalities.

50.   The **mission of the Private Sector Facility Division** is to 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. Given the early stage of programmatic approaches to funding within the GCF and both the limited capacity of CPD and the PSF, the PSF has not yet been able to stimulate the development of a strong private sector pipeline of high impact transformative projects and programmes that align with both country priorities and GCF guidance – in particular, local direct access private sector operators.

51.   The PSF is headed by a new Director who joined the Secretariat in January 2017. She is currently supported by only three Finance Specialists, two young Professional Associates, one Team Assistant and a senior member with overall private sector experience who also served as the Acting Head for eight months in 2016, and is now the Deputy Acting Director ad interim. The PSF is currently responsible for a significant portion of the GCF portfolio volume, and demands for private sector engagement are growing. In addition, complexity is increasing and many key implementers (especially local private sector) are yet to be accredited. The PSF is also significantly understaffed and lacks the capacity to effectively meet even current demands. While the PSF is striving to hire additional staff in 2017, it needs interim assistance to keep up with its work.

Table 7. 2017 budget for the Private Sector Facility in United States dollars

Staff cost	Consultants	Travel	Contractual services[a]	Common costs	Total
2,107,366	637,400	147,038	531,000	455,454	3,878,258

[a] Contractual services is the only area of adjustment to the budget which is requested for approval (see annex III).

6.1   Approach to pipeline development

52.   PSF Specialists have been developing funding proposals jointly with AEs, in support of country goals, as follows:

(a)   PSF Specialists contact already accredited AEs through structured or more informal events (e.g. board meetings) to understand the priorities of the AEs and related NDAs, and to identify areas where the PSF can contribute effectively and consistently with GCF investment criteria;

(b)   When areas of convergence are found, specialists work with AEs to support the design of country-driven proposals, a process that for complex projects can take four to six months. During that period, required studies are completed and proposals are drafted for secondary due diligence. At any given point in time, each PSF Specialist is likely to be engaged with four to five different proposals at various stages of discussion and structuring with AEs and related NDAs;

(c)   After Board approval, PSF Specialists are still actively involved in negotiations with AEs on the AMAs and FAAs, ensuring compliance with the conditions by the AE, including their own internal approvals; and

(d)   For proposals that come through the RFP process, a consultant has been working with the various Task Managers to evaluate and implement the related programmes. In some cases, PSF Specialists are involved in supporting non-AE RFP participants in finding an AE sponsor or in working with CPD to expedite the accreditation process.

6.2   Projected programming and related activities during 2017

53.   The Private Sector Facility currently expects to manage the development and submission to the Board of up to 13 projects/programmes in 2017 for a total of **USD 1,435.7 million**. Of those projects/programmes, two are likely to be submitted to B.16 for Board consideration for a total of **USD 419.7 million**. Table 8 provides an indicative overview of projected 2017 project submissions, and it is possible that some listed projects could fall off the list and that new ones could be added. In addition, the pipeline could increase if a number of local private sector players become accredited at B.17. PSF Specialists have been following a number of a high-impact requests coming from various local private sector entities.

Table 8. Private Sector Facility projected 2017 project submissions

Public/ private	No.	Brief proposal name	Project/ programme	GCF amount (million USD)[a]	Financial instrument	Total size (million USD)	Region	LDCs/SIDS / African States	Theme	Direct/ international access	To be presented at B.16?
Private	1	Energy access fund	Facility	265	Equity, Grant	765	Cross-region	No	Mitigation	International	Yes
Private	2	Renewable energy programme	Facility	154.7	Loan, Grant	1,007	Africa	No	Mitigation	International	Yes
Private	3	Agriculture programme	Facility	20	Guarantee, Equity, Loan, Grant	158.1	LAC	Yes	Cross-cutting	International	No
Private	4	Agriculture programme	Facility	25	Equity	100	Africa, Asia-Pacific, LAC	Yes	Cross-cutting	Direct	No

Public/ private	No.	Brief proposal name	Project/ programme	GCF amount (million USD)[a]	Financial instrument	Total size (million USD)	Region	LDCs/SIDS / African States	Theme	Direct/ international access	To be presented at B.16?
Private	5	Renewable energy and land-use	Facility	20	Loan, Grant	385	Africa	Yes	Cross-cutting	International	No
Private	6	Renewable energy programme	Facility	186	Equity, Grant	795	Africa, Asia	Yes	Mitigation	International	No
Private	7	Sustainable hydropower programme	Facility	95	Loan, grant	581.5	Asia-Pacific	Yes	Mitigation	International	No
Private	8	Green banking	Facility	[50-100]	Equity, grant	[500-1,000]	Africa, Asia-Pacific, LAC	Yes	Cross-cutting	Direct/International	No
Private	10	Renewable energy, energy efficiency, and environmental programme	Facility	200	Equity	1,000	Asia-Pacific	Yes	Cross-cutting	International	No
Private	11	Renewable energy programme	Facility	50	Loan, Grant	189.3	Africa	Yes	Mitigation	International	No
Private	12	Transportation programme	Facility	[50-70]	Loan	[370-390]	Asia-Pacific	No	Mitigation	International	No
Private	13	Green bond Programme	Facility	[200-250]	Equity, Grant	2,100	Africa, Asia-Pacific, LAC	Yes	Mitigation	International	No
Subtotal (private)				**1,435.7**		**8,470.9**					

Abbreviations: B.16 = sixteenth meeting of the Board, LAC = Latin America and the Caribbean, LDCs = least developed countries, SIDS = small island developing States.

6.3 Private Sector Facility 2017 expectations for initiating the implementation of approved projects

54. As discussed in the context of the M&A work programme section, there are several steps that projects and programmes must complete after Board approval, including the verification that TAP and Board conditions have been met, and that AMAs and FAAs are negotiated to conclusion. To date, only one approved project has gone through all of those steps and initiated implementation – Acumen, a private sector project which began implementation in September 2016. The remaining nine private sector projects approved by the Board before 2017 are at various stages of completion. The finalization of these projects and programmes depends on a number of factors, and projections are uncertain. That said, the Secretariat's best current judgment is that with requested resources, three to five of the nine private-sector projects approved to date could have fulfilled all of the GCF requirements to begin disbursements and initiate implementation.[6] Given those assumptions, 2017 disbursements on private-sector projects and programmes approved before 2017 could be in the range of USD 100-150 million. Furthermore, given the advanced stage of AMA negotiation with some of the AEs responsible for 2017 private-sector submissions, it is possible that if they are approved, one or two of those could begin disbursing during this year.

6.4 Private Sector Facility pilot programmes

55. In addition to advancing projects and programmes, the PSF has primary responsibility for managing the following pilot programmes:

(a) The pilot programme for MSMEs; and

(b) The pilot programme for mobilizing funding at scale.

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[6] Initial disbursements may be delayed by actions beyond the control of the Secretariat (e.g. conditions requiring governmental approval, the negotiation of the subsidiary agreement between the AE and the executing entity, etc.).

Micro-, small- and medium-sized enterprises pilot programme

56.   At the tenth meeting of Board, the Board established a micro-, small-, and medium-sized enterprises 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.[7]

57.   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. Moreover, at B.15 in December 2016, the Board approved USD 20 million for the "Business loan programme for GHG emissions reduction" proposal (FP028) submitted by XacBank. The "SCF Capital Solutions" proposal (FP029) of the Development Bank of Southern Africa was approved for USD 12.2 million at the same meeting.

58.   The Secretariat is planning to present up to two more MSME proposals before closing the first MSME RFP pilot programme at B.17. The potential pipeline under the MSME first pilot programme is indicated in table 9 below. The total portfolio of the first pilot is expected to comprise up to four to five MSME proposals under the envelope of USD 100 million as decided by the Board. The remaining shortlisted proposals are delayed or have been restructured as public sector proposals. The first allocation is expected to be exhausted by July 2017, and at that time, the PSF will request the Board to release the second tranche for the second part of the year. There are already a few requests in the pipeline for the second tranche.

Table 9. Micro-, small- and medium-sized enterprise pilot programme pipeline

Public/ private	No.	Brief proposal name	Project/ programme	GCF amount (million USD)	Financial instrument	Total size (million USD)	Region	LDCs/SIDS / African States	Theme	Direct/ international access	To be presented at B.16?
Private	1	Climate-smart agriculture (CSA) Risk Sharing Facility for MSMEs	Facility	20	Loan, equity, guarantee, grant	166	LAC	No	Mitigation	International	Yes
Private	2	Gender-focused MSME	Facility	20	Loan, grant	tbd	Africa	No	Mitigation	International	No
Private	3	Renewable energy project	Project	[10-20]	Loan	tbd	Asia	Yes	Cross-cutting	Direct	No
Private	4	Renewable energy facility	Facility	[10-20]	tbd	tbd	Asia	No	Cross-cutting	Direct	No
Total				Up to 60		tbd					

Abbreviations: B.16 = sixteenth meeting of the Board, LAC = Latin America and the Caribbean, LDCs = least developed countries, MSME = micro-, small-, and medium-sized enterprise, SIDS = small island developing States, TBD = to be determined.

Mobilizing funding at scale pilot programme

59.   At the tenth meeting of the Board, the Board approved a pilot programme to mobilize resources at scale in order to address adaptation and mitigation, and it approved up to USD 500 million for the pilot programme. The Secretariat consulted with the Private Sector Advisory Group in Cape Town from 20 to 22 February 2017 on activities for mobilizing funds at scale for climate activity. Their recommendations and suggestions are included in the PSAG report to be presented to the Board as document GCF/B.16/Inf.04 titled "Reports from committees, panels and groups".

60.   As a priority initiative, the Secretariat will present the Board with draft terms of reference for the RFP for mobilizing funds at scale and if it is approved, will launch the RFP for entities to mobilize resources at scale in 2017 with a view to submitting initial funding proposals to B.19 for Board consideration.

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[7] Decision B.10/11.

6.5 Additional Private Sector Facility priority initiatives for 2017

61.   In addition to advancing its work on the two pilot programmes discussed above, the PSF will undertake a number of other priority initiatives for 2017, as indicated below. In each case, the anticipated delivery is indicated.

62.   **Strategy and road map:** develop a strategic road map for GCF engagement with private sector and areas of uniqueness, complementarity and collaboration in the climate finance space with the ultimate goal to develop a business plan.

63.   **Capacity and staffing:** bring on board highly qualified staff to complement the team and expand PSF programming.

64.   **Projects and programmes:** there are three important priorities beyond the further implementation of the two pilot programmes as indicated above as follows:

(a)   To take a key role in finalizing outstanding AMAs with accredited private-sector players; while maintaining focus on signing FAAs and on disbursements on private-sector projects and programmes approved before 2017 in the range of USD 100-150 million;

(b)   To work closely with AEs to ensure the proper implementation of the already approved private-sector projects to begin, with a goal of enabling the initial implementation of five to seven of the already approved projects; and

(c)   To facilitate the review of, value addition to and quality engagement with AEs to ensure submission to the Board of up to 12 projects or more new private sector projects and/or programmes that meet country needs first and in line with GCF policies and guidelines.

65.   **Communication and outreach:** play a substantive role in:

(a)   Contributing to developing a tailored strategy for communication and engagement with AEs and countries (including their local private sector) designed to support the submission of high-quality, high-impact, transformational private-sector projects;

(b)   Developing and initiating the implementation of a strategic outreach plan to draw in new private sector actors and accredited entities in climate projects; and

(c)   Supporting the PSAG, providing logistical support for and participating in its virtual and physical meetings and advancing its recommendations to the Board. A meeting of the PSAG was held in Cape Town. Recommendations arising from that meeting will be presented to B.16 as a complement to this document. The PSF provided administrative support, and the Executive Director and the Director attended the meetings.

6.6 Private Sector Facility policy documents for 2017

66.   In addition to the work noted above, the PSF will take the lead in developing documents on the following matters for the Board's consideration in 2017:

(a)   Results from an analysis of barriers to crowding in and maximizing the engagement of the private sector for B.17;

(b)   PSAG recommendations on of barriers to crowding in and maximizing engagement of the private sector for B.17;

(c)   The second RFP for MSMEs;

(d)   The programmatic approach; and

(e)   PSAG recommendations on the development of a private sector outreach plan for B.18.

VII.   Division of Support Services

67.   It would be impossible to overstate the initial administrative challenges faced by the GCF in striving to implement the Parties' decision to create the Secretariat as a truly independent entity. The bulk of that challenge has fallen upon the Division of Support Services. In short, DSS has had to develop and institutionalize all the infrastructure, policies and support services that most publicly directed programmes take for granted. For example, staffing was not able to begin at scale without initial Human Resources (HR) policies – so DSS had to find and adapt suitable policies for the Board's approval. While United Nations organizations benefit from such things as centralized legal and data management systems, such fundamental components had to be created and operationalized for the GCF. Furthermore, because such core policies, procedures and infrastructures needed to be put into place before even an initial operationalization of programmatic work could begin, DSS has initially had to grow at a faster pace than some other divisions. While that relative growth will decrease over time, the Board should understand that DSS is far from finished with the task of expanding essential administrative systems. For example, professional information technology solutions for such core functions as HR, contribution management, and many very important aspects of portfolio management are not yet fully operational. Furthermore, the Secretariat believes that it is important for the Board to understand that the Secretariat is continuing to expand similarly vital administrative systems at the same time it is now supporting the operation of dozens of Secretariat programmes, making its work more complex, and at the same time, even more vital.

Table 10. 2017 budget for the Division of Support Services in United States Division

	Staff cost	**Consultants**	**Travel**	**Contractual services**[a]	**Common services**	**Total**
DSS	4,817,570	796,400	215,486	890,000	1,131,937	7,851,393
DSS/PMU	853,056	250,000	50,000	-	348,288	1,501,344

Abbreviations: DSS = Division of Support Services, PMU =Portfolio Management Unit.
[a] Contractual services is the only area of adjustment to the budget which is requested for approval (see annex III).

68.   For the purposes of the 2017 work programme, the Secretariat is grouping the work of DSS into the two broad categories of resource management and Human Resources.

7.1   Resource management

69.   Broadly speaking, the resource management function of the Secretariat encompasses administration and finance, resource mobilization, procurement and travel, and information and communication technology. The hundreds of activities supported under these broad headings range from keeping the lights on at the Secretariat to ensuring accountability for disbursements on projects and activities.

70.   In the area of resource management, the Secretariat will be undertaking a number of 2017 priority initiatives that are essential for advancing the effective operation of the GCF. Unless stated otherwise, the following priority initiatives will be completed by the end of 2017:

(a)   The completion of a business continuity plan to deal with prevention and recovery in the event of disruption;

(b)   The establishment of a Portfolio Management Unit in the first quarter of 2017 to monitor progress on approved projects;

(c)   The finalization of as many outstanding contribution agreements as possible;

(d)   In addition, the finalization of a sustainable procurement policy by the end of the first quarter of 2017;

(e)   The execution of disbursements for approved funding proposals;

(f)   The enhancement of business information systems to more efficiently support and/or monitor such key activities as portfolio management, contribution management, readiness requests, cost containment and stakeholder networking;

(g)   The augmentation of travel services to enable 24/7 support by mid-2017;

(h)   The preparation of a strategic procurement planning process, updated standard bidding documents and standard operating procedure for GCF procurement; and

(i)   The redesign of at least two floors of office space to support new staff.

7.2   Human Resources

71.   Both the decisions of the Board and its strategic plan recognize the importance of building adequate institutional capabilities, including building "a well-staffed Secretariat that can deliver all of its functions as provided in the Governing Instrument"[8]. To that end, the Secretariat has been working to implement the Board's direction to increase the number of filled regular staff positions to an approximate total of 100 by the end of 2016, and to 140 by the end of 2017. In accordance with Board direction, this effort is taking into consideration the ability of the Secretariat to recruit and absorb the increasing staffing numbers, the desire for a balance between staff from developed and developing countries, and the desire for greater representation of women among senior staff.

72.   As reported in document GCF/B.16/11 titled "Report on the status of the staffing of the Secretariat", the Secretariat has made progress towards meeting these goals. On 1 April 2016, the Secretariat expects that it will have filled close to [100] regular staff positions. For context, this means that the Secretariat will have managed to more than double the number of filled regular staff positions from 46 in June 2016 to [100] in April 2017.

73.   While the influx of new staff is both welcome and essential, the Secretariat has taken the opportunity of the preparation of this work programme to undertake a new Secretariat-wide analysis of its staffing needs, taking into consideration both the increasing backlogs in the areas of AE applications, project submissions, and the finalization of AMAs/FAAs, and the likely increase in project submissions and AE requests that is resulting from the 2016 efforts to prioritize outreach to potential AEs and the development of a robust project pipeline. The results of the survey, following rigorous peer review, reveal that around 180 staff would be required to deal effectively and efficiently with the current workload.

74.   Taking into account the issues raised above, and the desirability of getting ahead of capacity demands, rather than chasing them, the Secretariat will be recommending that it be authorized to work towards a new staffing goal of 180 to be met as soon as possible but no later than 2018. In terms of expectations, given the Secretariat's experience with hiring and staff turnover, the Secretariat believes that it is possible for the Secretariat to meet an ambitious goal of 140 staff on board by the end of calendar year 2017. That said, to address the backlog of submissions and agreements and to initiate essential disbursements, the Secretariat needs a significantly higher level of staff than what is currently available or is likely to be available during 2017.

75.   As a consequence, to the degree that the Secretariat's hiring is not sufficient to enable it to fulfil essential needs, the Secretariat will utilize the flexibility that the Board has delegated to it to shift funding between the two budget lines in section 2.1 of the budget in order to meet the needs of the Secretariat. While the resulting utilization of consultants is not consistent with the Secretariat's prior hope that 2017 would start a downward trend in their long-term use, the

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[8] GCF/B.13/Inf.05/Rev.01, Annex I, section E.

Secretariat believes that a 2017 increase is essential for the GCF to meet the reasonable delivery expectations necessary to promote essential predictability and confidence in the GCF. Furthermore, while foreseeing a reduction in the use of long-term consultants, the Secretariat believes that the use of consultants for niche or short-term purposes will continue to be an essential and economical way to get needed support.

76.   In addition, the Secretariat is asking the Board to consider allowing it to use the consultancies and contractual services budget lines (2.1.3 and 2.3.2) in a broader manner this year. Specifically, for contractual and staffing reasons, the Secretariat was not able to initiate some key work under those budget lines during 2016. For example, the Secretariat was not able to finalize contracts of over USD 1 million for the preparation of essential risk policies and frameworks. While these and other 2016 expectations were not met during the year, the need for the services and the related products has increased. In addition, during 2017, the Secretariat has a strong need to use contracts and contractual services to help to clear the backlogs and keep up with demand. Accordingly, the Secretariat is asking the Board to let it roll over the unspent 2016 funds for budget lines 2.1.3 and 2.3.2 into 2017, with the understanding that this would be a one-time request, and would not establish a new budget expectation for these budget lines. In fact, it continues to be the Secretariat's aim to reduce reliance on these lines as its staffing becomes sufficient to meet growing demands, and as it adjusts its processes to advance the Board goals of implementing a more strategic approach to programming, and working to enable higher quality transformational project submissions.

77.   The Secretariat will also canvas more actively for the possible availability of secondees with specific expertise to augment staff and consulting resources. Such appointments would comply with the GCF policy on secondments.

78.   In addition to stressing the importance of building a highly-qualified staff, the strategic plan for the Board rightfully stresses the importance of retaining high levels of expertise and institutional knowledge over time. Indeed, staff retention is seen by the Secretariat as a vital component of knowledge management. In an effort to retain high-performing staff, the Secretariat will complete a number of priority initiatives by the end of 2017, including the following:

(a)   Finalizing and where warranted, facilitate the implementation of procedures for internal promotions and pay progression;

(b)   Presenting to the Board for its consideration a proposition for revised staff benefits with the objective to support staff retention;

(c)   Finalizing development and initiating the implementation of a training and learning strategy for enhanced professional development; and

(d)   Increasing the promotion of the Secretariat's family support group and employment assistance provided to spouses.

79.   In addition to working to hire and maintain essential human resource talent, DSS will complete at least the following two priority HR-system-related initiatives by the end of 2017:

(a)   Executing the first application of the Secretariat's new performance management system and consequent performance pay; and

(b)   Developing and applying new information technology solutions to support recruitment and HR administration.

80.   As it relates to the 2017 work plan for the Board, DSS is taking the lead in preparing the documentation to facilitate approval of the revised HR guidelines at B.17.

7.3   Division of Support Services policy documents for 2017

81.   In addition to undertaking the largely internal initiatives above, DSS will take the lead in preparing a number of resource management and administration related initiatives in order to help to facilitate the Board's fulfilment of its 2017 work plan. These include:

(a)   Developing a proposal on policies and procedures for accepting contributions from philanthropic foundations and other non-public alternative sources for the consideration of the Board;

(b)   Supporting the process for the selection of the Permanent Trustee;

(c)   Supporting any Board decision related to arrangements for replenishment;

(d)   Updating the status of staffing of the Secretariat;

(e)   Updating the following GCF administrative guidelines for the consideration of the Board:

(i)   Procurement guidelines;
(ii)   Human resource guidelines; and
(iii)   ICT guidelines;

(f)   Providing financial statements and the report on the execution of the administrative budget of the GCF; and

(g)   Preparing the 2018 administrative budget and work programme of the Secretariat for the consideration of the Board at the B.18.

VIII.   Office of the Secretary to the Board

82.   The Office of the Secretary to the Board supports the operation and decision-making functions of the Board, and serves as a liaison between the Board and the Secretariat and between the GCF and the COP. It oversees GCF compliance with COP guidance and Board decisions, ensures GCF engagement in the wider climate finance landscape, and supports the implementation of the Board policy on information disclosure and the guidelines on observer participation. The Office of the Secretary to the Board currently manages the work of the office with a staff of 10, including 3 Team Assistants, 3 Associate Professionals, a group of specialists and a Head of Office focusing on Board support, document control, international climate policy and information disclosure.

Table 11. 2017 budget for the Office of the Secretary to the Board in United States dollars

Staff cost	Consultants	Travel	Contractual services[a]	Common costs	Total
1,848,273	288,900	165,418	79,000	512,386	2,888,977

[a] There is no adjustment to the amount of contractual services in the administrative budget for the Office to the Secretary to the Board (see annex III).

8.1   Office of the Secretary to the Board 2017 priority initiatives

83.   With regard to priority initiatives for 2017, the OSB will support the Secretariat in fulfilling the following roles:

(a)   Providing efficient support to the Board, including through:

(i)   Leading in the preparation and execution of Board meetings;

(ii)   Facilitating the timely delivery of Board documentation, thereby supporting the Board decision-making process;

    (iii) Contributing to knowledge management by ensuring the availability of Board documentation, reports of meetings of the Board and decisions taken at the meetings, thereby facilitating the implementation of Board mandates by the Secretariat and other relevant actors; and

    (iv) Acting as a liaison between the Board and the Secretariat including through the Co-Chairs;

(b) Facilitating the GCF response to COP guidance and the GCF engagement with the COP, its constituted bodies and in the wider climate policy landscape. In so doing, OSB will:

    (i) Participate in and/or coordinate GCF participation in UNFCCC events and in other climate policy events;

    (ii) Coordinate GCF events with these bodies namely: the annual meeting with the UNFCCC constituted bodies; and the annual dialogue with climate finance delivery channels;

    (iii) Prepare and/or support the preparation of Board documents mandated by the Board in response to guidance received from the COP; and

    (iv) Track and support compliance with COP guidance and Board decisions on COP-related matters;

(c) Supporting the engagement of observer organizations with the GCF. This shall include:

    (i) Facilitating the review of the guidelines on the participation of observers and follow-up on the implementation of the guidelines once adopted;

    (ii) Carrying out rounds of application for the accreditation of organizations as observers to the GCF; and

    (iii) Serving as a focal point for engagement with observers; and

(d) Facilitating and monitoring the implementation of the Information disclosure policy, including through:

    (i) Ensuring the timely disclosure of environmental and social safeguards reports on funding proposals for Board consideration; and

    (ii) Coordinating the GCF response to information requests under the Information disclosure policy.

8.2 Office of the Secretary to the Board policy documents for 2017 (for the seventeenth and eighteenth meetings to the Board)

84. In addition to the work noted above, OSB will take the lead in developing documents on the following matters for the Board's consideration in 2017:

(a) An operational framework and options for the operationalization of the key elements of the operational framework on complementarity and coherence;

(b) Recommendations on further steps to enhance cooperation and coherence with the Technology Mechanism;

(c) Options for GCF support for collaborative research and development in developing countries;

(d) The sixth report of the GCF to the COP;

(e) Outcomes of the review of guidelines on observer participation;

(f)   Accreditation of observer organizations to the GCF;

(g)   Modalities for the qualitative and quantitative review of the webcasting service;

(h)   Recommendations on the review of the relevant disclosure requirements once the environmental and social management system is developed;

(i)   The work plan of the Board for 2017;

(j)   Agendas for meetings of the Board and annotations to the agendas;

(k)   Dates and venues for the following meetings of the Board;

(l)   Decisions taken between meetings;

(m)   Reports of committees, panels and groups of the Board;

(n)   Decisions taken at meetings of the Board in 2017 (compilations);

(o)   Reports of the meetings of the Board in 2017; and

(p)   Expected work on options for collaborative research and development, and recommendations on collaboration with the Technology Mechanism following on from decision B.14/02.

IX.   Office of the General Counsel

85.   The Office of the General Counsel provides vital support 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. Finally, the Office of General Counsel supports the Board and its Co-Chairs, as well as the independent accountability units, advising on issues as they arise.

86.   As the GCF has grown, so has its need for legal reviews. For example, as the number of new accredited entities 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. The demand for legal services to support these and other expanding GCF activities has currently outstripped the current capacity of the Office of the General Counsel. Due to its limited capacity relative to its workload, the work of OGC is currently supplemented through contractual services. While the use of outside counsel will continue to be efficient as regards the provision of certain niche services, the use of such assistance to do more routine work can be highly inefficient. As a consequence, OGC is in the process of hiring several new staff members consistent with the current overall staffing goal of 140.

Table 12. 2017 budget for the Office of the General Counsel in United States dollars

Staff cost	Consultants	Travel	Contractual services*a*	Common services	Total
1,654,278	598,800	164,738	1,260,000	512,386	4,050,202

a Contractual services is the only area of adjustment to the budget which is requested for approval (see annex III).

87.   At the direction of the Board and the Executive Director, OGC and Secretariat teams have been working to clarify, simplify and increase the efficiency of all aspects of the AMA and FAA process. Furthermore, over time, as more AMAs become finalized and as project standards increase, it is likely that the demand for legal assistance in these critical areas will be reduced. At that time, and depending on the Board's future direction, the need for OGC legal services could level off or be reduced. In the meantime, however, the need for additional legal support is

essential for enabling the more timely completion of actions necessary to facilitate disbursements and the implementation of approved projects and activities.

9.1   Office of the General Counsel 2017 priority initiatives

88.   OGC shares the responsibility for implementing the primary 2017 Secretariat initiative to clear as many AMAs, FAAs and related requirements as possible in order to facilitate the initiation of disbursements and the implementation of already approved projects.

89.   That said, OGC has a number of additional priority initiatives that it will strive to complete in 2017. These include the following:

(a)   Making significant progress on getting privileges and immunities for the GCF in all countries;

(b)   Preparing fiduciary guidelines, instructions and policies, on conflict of interest, harassment, gift and entertainment, staff bill of rights, staff vetting and non cooperative jurisdictions on tax issues;

(c)   Developing a case management system ensuring the proper administration of new matters and tracking progress;

(d)   Preparing a document clarifying the hierarchy of GCF legal norms (e.g. the Governing Instrument, Board decisions, administrative instructions issued by the Executive Director, guidance, etc.); and

(e)   Developing short-form procurement contract templates for low-value procurements.

X.   Office of Risk Management

90.   The Office of Risk Management was established to manage the risks the GCF is exposed to as a consequence of its activities. ORM focuses on financial risks (e.g. credit, market and funding risks) but will also address potential reputational, environmental and social risks arising from funding proposals.

Table 13. 2017 budget for the Office of Risk Management in United States dollars

Staff cost	Consultants	Travel	Contractual services[a]	Common costs	Total
1,175,848	218,400	91,899	1,890,000	284,659	3,805,806

[a] Contractual services is the only area of adjustment to the budget which is requested for approval (see annex III).

91.   The first Risk Manager of the GCF began work with the GCF in October, and since February, two new Risk Specialists have joined the office. As a consequence, ORM is now in the process of developing and operationalizing fundamental risk management procedures. To that end, it has the following 2017 priority initiatives:

(a)   Working with a risk consulting group to support the development of a risk policy and investment guidelines;

(b)   Developing a statement of risk appetite and initiating implementation;

(c)   Developing and implementing initial rating methodologies to assess accredited entities' ability to implement and execute a range of projects and programmes;

(d)   Developing and implementing risk policies related to credit, markets and asset liability management; and

(e)   Completing and operationalizing a 'risk dashboard' summarizing the main risks and vulnerabilities of the GCF.

XI.   Office of the Internal Auditor

92.   The Office of the Internal Auditor was established to "evaluate and improve the effectiveness of [the organization's] risk management, control and governance process"[9].

Table 14. 2017 budget for the Office of the Internal Auditor in United States dollars

Staff cost	Consultants	Travel	Contractual services[a]	Common costs	Total
505,890	63,000	55,139	30,000	170,795	824,825

[a] Contractual services is the only area of adjustment to the budget which is requested for approval (see annex III).

93.   Like the Risk Management Office, OIA is a new office in the GCF and it is being constituted with new staff, its Head of Office, Internal Audit Specialist and Associate Professional coming on board between mid-January and early February 2017. That said, OIA is completing a review of the audit of the Executive Director handover and is reviewing the status of the implementation of the recommendations of past audits.

94.   With regard to priority initiatives for 2017, OIA intends:

(a)   To prepare a three-year internal audit plan focusing on 2017 for the approval of the Executive Director and begin to implement the plan; and

(b)   To draft an audit manual, tools and templates and select and deploy audit software.

XII.   Issue or function specific discussions

95.   As noted in the overview of this work programme, some of the work of the Secretariat may be so cross-cutting or important that it would be best communicated in stand-alone sections. This portion of the work programme discusses the 2017 priority initiatives that the Secretariat will undertake in the areas of the enhanced direct access pilot programme, replenishment, selecting a Permanent Trustee, reporting to the Board and outreach/liaison.

12.1   Enhanced direct access pilot programme

96.   At its tenth meeting, the Board agreed to an initial allocation of up to USD 200 million for at least 10 enhanced direct access (EDA) pilot projects, including at least 4 to be implemented in small island developing States, the least developed countries and African States. The direction on this pilot emphasized the role of country institutions and in particular NDAs in the origination, design and implementation of EDA funding proposals. Based on that direction, in June 2016, the Secretariat launched a request for EDA concept notes. Thirteen concept notes had been received by the end of 2016; all of them were reviewed and Secretariat feedback was sent to the related submitters. One concept note from the Environment Investment Fund of Namibia was further developed into an EDA pilot funding proposal, which was approved by the Board at B.14. In January 2017, two new EDA concept notes were received.

97.   In order to implement EDA effectively, the Secretariat will need to increase its technical outreach capacity to and support for national institutions and direct access entities in order to ensure quality in the design and origination of the project. An interdivisional CPD-M&A task team is envisaged to be best placed to deliver on EDA objectives, including the ambition to upscale the EDA approach once an initial evaluation of the 10 pilots will be performed.

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[9] Decision B.BM-2015/06, paragraph 24.

12.2 Support the Board in arranging replenishment processes

98.   In decision B.05/17, paragraph (d), the Board decided "that the policies, procedures and documents necessary to trigger the first formal replenishment will be decided upon at the first Board meeting following the completion of the [Initial Resource Mobilization] process". In decision B.08/13, the Board endorsed the policies for contribution to the GCF which, in relevant part, states: "Once the Fund's cumulative funding approvals exceed 60 per cent of the total contributions, confirmed by fully executed contributions agreements/arrangements, received during the IRM, the Fund will initiate a formal replenishment process".[10]

99.   At its eleventh meeting in 2014, the Secretariat presented document GCF/B.11/08 titled "Arrangements for the first formal replenishment of the Green Climate Fund". Among the matters raised in the discussion on that document were: triggers to initiate the formal replenishment process; timing to discuss the replenishment procedure; the length of the replenishment period; participants in the replenishment process; and specific targets (needs based amount versus supply-driven amount). Since that time, the Co-Chairs have been in consultations with the Board, and are expected to report on their progress at B.16.

100.   The COP in its guidance has reiterated its earlier request to the Board to agree on the arrangements for the first formal replenishment process of the GCF.

101.   The sole 2017 Secretariat initiative in this area is to support the Board in arranging the process for the first formal replenishment of the GCF. The Secretariat is at the disposal of the Board to work on this issue at its direction.

12.3 Selection of the Trustee

102.   In UNFCCC decision 1/CP.16, the COP invited the World Bank to serve as the Interim Trustee of GCF, and in UNFCCC decision 3/CP.17, the COP invited the Board to select a Permanent Trustee through an open, transparent and competitive process. In furtherance of the latter direction, the Board agreed in decision B.08/22, that the process to appoint the Permanent Trustee should be concluded no later than the end of 2017. Furthermore, following its review of an independent third-party report on the performance of the Trustee and recommendations for the selection process, the Board at B.15 requested the Secretariat to submit to B.16 a detailed terms of reference for the Permanent Trustee and a detailed plan for the competitive procurement procedure for the selection of the Permanent Trustee. The Board also requested the Co-Chairs to submit to the Board by B.16 for its approval a decision-making procedure for the selection process.[11]

103.   The Secretariat has submitted document GCF/B.16/12 titled "Competitive process for the selection of the Permanent Trustee" which provides detailed terms of reference for the Trustee and a detailed plan and a recommended procedure for the selection of the Permanent Trustee.

104.   The Secretariat's primary 2017 initiative in this area is to support the Board in the selection of a Permanent Trustee. The Secretariat is at the disposal of the Board to work on this issue at its direction. In addition, and as noted above, the Secretariat will work with the Trustee to present to B.18 a 2018 Trustee work programme and budget for Board consideration.

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[10] Decision B.05/17, annex XIX, paragraph 1(d).
[11] Decision B.15/08.

12.4 Secretariat reporting to the Board

105.   In accordance with the Governing Instrument, the Secretariat has significant responsibilities related to reporting on GCF activities and its performance. The execution of these responsibilities is linked in a substantial manner to the Board's Governing Instrument responsibility to oversee the operation of all relevant components of the GCF. Over the course of 15 Board meetings, the request for Secretariat reporting has increased significantly, and at the current time, the Secretariat produces or updates 10 discrete reports for each meeting of the Board. Some of these reports are presented to the Board as action items, and some as information documents. All of these reports are reflected in the Board's draft 2017 work plan – where they currently constitute over one quarter of the listed work plan activities. The preparation of most of these reports requires contributions from multiple Secretariat divisions.

Table 15. List of reports for B.16, B.17, and B.18

Sixteenth meeting of the Board	Seventeenth meeting of the Board	Eighteenth meeting of the Board
Progress report on implementation of the strategic plan[a]	Progress report on implementation of the strategic plan[a]	Progress report on implementation of the strategic plan[a]
Report on the implementation of the Board's work programme taking into account the decisions of the previous meeting	Report on the implementation of the Board's work programme taking into account the decisions of the previous meeting	Report on the implementation of the Board's work programme taking into account the decisions of the previous meeting
Reports on the status of national adaptation plan (NAP) requests at each meeting[b]	Reports on the status of NAP requests at each meeting [b]	Reports on the status of NAP requests at each meeting [b]
Status report on the Project Preparation Facility (PPF) requests received as part of the activities of the Secretariat report[c]	Status report on the PPF requests received as part of the activities of the Secretariat report[c]	Status report on the PPF requests received as part of the activities of the Secretariat report[c]
Progress report on implementation of the Readiness and Preparatory Support Programme[d]	Progress report on implementation of the Readiness and Preparatory Support Programme[d]	Progress report on implementation of the Readiness and Preparatory Support Programme[d]
Progress report on the status of the Initial Resource Mobilization	Progress report on the status of the Initial Resource Mobilization	Progress report on the status of the Initial Resource Mobilization
Report on the execution of the administrative budget	Report on the execution of the administrative budget	Report on the execution of the administrative budget
Report on the status of the staffing of the Secretariat	Report on the status of the staffing of the Secretariat	Report on the status of the staffing of the Secretariat
Report on the pipeline portfolio[e]	Report on the pipeline portfolio[e]	Report on the pipeline portfolio[e]
Reports on the status of accreditation master agreements (AMAs) at each Board meeting	Reports on the status of AMAs at each Board meeting	Reports on the status of AMAs at each Board meeting

Sixteenth meeting of the Board	Seventeenth meeting of the Board	Eighteenth meeting of the Board
Report of the activities of the Secretariat	Report of the activities of the Secretariat	Report of the activities of the Secretariat

[a] Decision B.12/20.
[b] Decision B.13/9, paragraph (k).
[c] Decision B.13/21, paragraph (d)(ix).
[d] Decision B.08/11, paragraph (c); decision B.11/04, paragraphs (e) and (h); and decision B.12/32.
[e] Decision B.11/11, paragraph (g).

106.   In addition to these reporting requirements, it is expected that the Secretariat will report to each Board meeting in 2017 on replenishment issues, and that each of the accountability entities will begin submitting reports to the Board this year. Accordingly, in the absence of change, activity and performance reports will likely constitute an increasing share of the Board's documentation.

107.   The Secretariat has taken due note of the concern expressed by many members of the Board that the current documentation burden is too high. In order to address this issue, the Secretariat is recommending, as a 2017 initiative, that instead of producing 10 reports, the Secretariat consider the vital content of these reports, and produce one streamlined report for B.17 which provides key information on as many of the related issues as possible. If that proves to be an effective tool for the Board, the streamlined report would then be used as a replacement for the individual reports in all future meetings of the Board. In the meantime, unless instructed otherwise, the respective preparation and review of all of these reports will continue to appear in the Board work plan and Secretariat work programme for 2017.

108.   One document that may not be easily folded into an omnibus document is the Board's work plan. With regard to that plan, the Secretariat feels compelled to note that of late, the best efforts of the Secretariat and the Board have not been sufficient to meet the robust ambitions of the continuously evolving Board work plan. Specifically, at B.14, the Board deferred the consideration of 8 documents, and at B.15 the Secretariat and the Co-Chairs recommended that the Board defer the consideration of 10 documents. Some of the reasons for these delays may be positive, such as the laudable increase in project submissions which, as would be expected, is taking an increasing amount of the time of both the Secretariat and the Board. Other reasons, such as insufficient Secretariat capacity, may not be as positive, but could be reduced over the next 18 months as the Secretariat mainstreams new staff to support expanding GCF work. That said, it is undeniable that the GCF workload is growing and that there continues to be expressed concern from many members of the Board that even the current documentation burden is too high. In addition, there is a growing recognition among the members of the Board and the Secretariat that the reports of the Secretariat often spur new requests which add to the overall workload and become a significant driver of the Board's work plan. This operational paradigm can reduce the strategic focus of both the Secretariat and the Board. In order to facilitate the consideration of these important issues, and at the risk of adding still another report to the already heavy workload of the Board and the Secretariat, the Secretariat is recommending that the Board consider at B.17 options for implementing its strategic plan goal of improving the efficiency of the Board's processes, including decision-making in a manner that could help to address these growing issues.

109.   Finally, one important report on GCF activities not included in table 15 above is the sixth GCF report to the COP.[12] A draft of that report will be prepared for the consideration of the Board at B.17.

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[12] Decision B.13/11, paragraph (e).

12.5   Liaison/outreach/communication

110.   The liaison duties of the Secretariat established by the Governing Instrument in paragraph 23(c) call on the Secretariat to liaise with members, implementing entities, and cooperating bilateral and multilateral institutions and agencies. While these duties appear quite modest, in the over five years since the adoption of the Governing Instrument, the direction of the Board and the guidance of the COP have significantly expanded the liaison and outreach role of the Secretariat well beyond the limited vision outlined in the Governing Instrument. Specifically, those directives now give the Secretariat a clear mandate to proactively develop and strengthen working partnerships with a multitude of entities and groups, including: national designated authorities/focal points, accredited entities, national implementing entities, country stakeholders, private sector organizations, civil society organizations, philanthropic and other non-public alternative sources of funding, the Global Environment Facility, the Adaptation Fund, multilateral development banks, other climate finance delivery channels and funds, the UNFCCC secretariat, the Technology Mechanism, the Government of the Republic of Korea, and, the private sector at the national, regional and international levels, including local actors. This also includes an annual dialogue with climate finance delivery channels in line with decision B.13/12. Furthermore, the transformational mandate of the GCF assumes that the Secretariat is able to liaise with institutions that are developing or advancing new methods and technologies, and the Board has requested a consideration of options for engaging with developing country entities in the fields of research and development. Finally, the Secretariat has very significant liaison responsibilities with the Board, its committees, independent accountability units, observers, independent evaluators, Trustee, and auditors, and the numerous panels and advisory groups that have been established to support the effective operationalization of the project and programme cycle. In looking at this daunting list, it might be suggested that it is easier to identify entities that the close to 100-staff member Secretariat does not have a responsibility to liaise with, rather than those with which it does have such responsibilities.

111.   The Secretariat recognizes that its representatives cannot travel to undertake all of the above-mentioned liaison and outreach obligations, and it is not seeking funding to do so. Indeed, Secretariat staff are continuing to conduct business though virtual meetings whenever possible, and, as noted above, the Secretariat is seeking to enhance its facilities to undertake virtual meetings. That said, the Secretariat cannot effectively perform all of its duties from Songdo. However as the volume of GCF work increases, so does the demand from NDAs and AEs for the Secretariat's assistance. The Secretariat cannot adequately respond to these demands from Songdo and disappointed expectations are the increasingly common result. These are felt most keenly by stakeholders with the least capacity reinforcing the perception of neglect. Furthermore, as the world's largest dedicated climate fund, the Secretariat believes that GCF visibility is important given the global reach of its liaison responsibilities and in line with the GCF overarching mandate of being country-driven.

12.6   Projection of approvals for 2017

USD amount (no. of approvals)	FP	RS	PPF	NAP	MSME
M&A	1–1.2 billion (20 – 23)	–	–	–	–
CPD	–	80–100 million (120 – 140)	30–40 million (25 – 30)	35–40 million (18 – 22)	–
PSF	1–1.3 billion (10 – 14)	–	–	–	40–60 million (4 – 6)
Subtotals	2–2.5 billion	80–100 million	30–40 million	35–40 million	40–60 million

	(30 – 37)	(120 – 140)	(25 – 30)	(18 – 22)	(4 – 6)
Total	2.185 – 2.74 billion (197 – 235)				

Abbreviations: CPD = Country Programming Division, FP = funding proposal, M&A = Mitigation and Adaptation Division, MSME = micro-, small-, and medium-sized enterprise, NAP = national adaptation plan, PPF = Project Preparation Facility, PSF = Private Sector Facility, RS = Readiness Support.

12.7   Projection of disbursements for 2017

USD amount (# of disburse.)	FP	RS	PPF	NAP	MSME
M&A	60–100 million (5 – 8)	–	–	–	–
CPD	–	40–60 million (50 – 80)	3–5 million (3 – 5)	2–4 million (2 – 4)	–
PSF	100-150 million (3 – 5)	–	–	–	10–20 million (1 – 3)
Total	160–250 million (8 – 13)	40–60 million (50 – 80)	3–5 million (3 – 5)	2–4 million (2 – 4)	10–20 million (1 – 3)
Grand total	215–339 million (64 – 105)				

Abbreviations: CPD = Country Programming Division, FP = funding proposal, M&A = Mitigation and Adaptation Division, MSME = micro-, small-, and medium-sized enterprise, NAP = national adaptation plan, PPF = Project Preparation Facility, PSF = Private Sector Facility, RS = Readiness Support.

Annex I: Decision of the Board

The Board, having considered document GCF/B.16/21/Rev.01 titled "Work programme of the Secretariat for 2017 and adjusted administrative budget":

a) *Recognises* that the work programme of the Secretariat for 2017 will help guide the activities and structure of the Secretariat;

b) *Approves* the priorities set in the work programme of the Secretariat for 2017, in accordance with paragraph 23(e) of the Governing Instrument for the GCF;

c) *Requests* the Secretariat to provide a detailed and updated work plan for the Readiness and Preparatory Support Programme and to report on the progress made in its implementation at each Board meeting for the Board's information; and

d) *Approves* the adjusted administrative budget for the period of 1 January to 31 December 2017, making the total approved administrative budget for fiscal year 2017 USD 46,784,071, recognizing that this increase is on an exceptional basis and does not establish a new standard budget level for items, including contractual services.

Annex II: Administrative budget of the Green Climate Fund for 2017

Items	Approved at B.15	Revised 2017 budget
	USD	
1 Board		
1.1 Board meetings	1,479,080	1,479,080
1.2 Co-Chair and Board representative travel	23,175	23,175
1.3 Board committees, panels and working groups	1,684,050	1,684,050
Board	**3,186,305**	**3,186,305**
2 Secretariat		
2.1 *Salaries and consultants*		
Full-time staff	24,143,451	24,143,451
Consultancies	3,866,920	3,866,920
Subtotal: salaries and consultants (a)	**28,010,371**	**28,010,371**
2.2 *Travel*		
Secretariat staff travel	1,569,500	1,569,500
Secretariat staff travel - Board meetings	267,800	267,800
Subtotal: travel (b)	**1,837,300**	**1,837,300**
2.3 *Contractual services, and general operating, information technology*		
Office utility costs	300,000	300,000
Contractual services	4,117,000	7,500,000
Other operating costs	475,000	475,000
Communication and printing	315,000	315,000
Information and communication technology	3,183,855	3,183,855
Depreciation	850,000	850,000
Subtotal: contractual services, general operating, information technology costs (c)	**9,240,855**	**12,623,855**
Secretariat (a+b+c)	**39,088,526**	**42,471,526**
3 Interim Trustees	**1,126,240**	**1,126,240**
Total (1+2+3)	**43,401,071**	**46,784,071**

Abbreviation: B.15 = fifteenth meeting of the Board.

Annex III: Supporting information on the budget adjustment of contractual services

Division	Approved at B.15	Proposed at B.16	Increase
	USD		
Office of the Executive Director	–	500,000	500,000
Country Programming Division	700,000	1,550,000	850,000
Mitigation and Adaptation Division	770,000	770,000	–
Private Sector Facility Division	31,000	531,000	500,000
Division of Support Services	702,000	890,000	188,000
Office of the Secretary to the Board	79,000	79,000	–
Office of the General Counsel	660,000	1,260,000	600,000
Office of Risk Management	1,175,000	1,890,000	715,000
Office of the Internal Auditor	–	30,000	30,000
Total	**4,117,000**	**7,500,000**	**3,383,000**

Abbreviations: B.15 = fifteenth meeting of the Board, B.16 = sixteenth meeting of the Board.

Office of the Executive Director

1. **Assess the need for a USD 0.5 million** for the Office of the Executive Director for an external consultancy firm to assess the current capacity of the Secretariat, identify its needs and recommend options to improve delivery capacity and organize its structure to meet its mandate, considering inputs from the evaluation provided by the Independent evaluation unit.

Country Programming Division

2. The Country Programming Division is requesting an additional amount for **USD 0.85 million** for advisory services to augment the GCF Secretariat's capacity to advise and support GCF national designated authorities (NDAs)/focal points (FPs) in the delivery of Readiness and Preparatory Support Programme activities, in particular in what relates to their country programming and related processes. The consultancy firms to be procured will provide participating NDA/FPs with tools, methods and relevant training, while also fostering knowledge exchange.

Under the guidance of the Secretariat, the firm will advise a group of approximately 20 NDAs/FPs of developing countries as they undertake the activities presented below:

(a) Preparing dynamic Country Programmes building on intended nationally determined contributions, low-emission development strategies, nationally appropriate mitigation actions, national adaptation plans, national adaptation programmes of action, national communications, among others, as appropriate;

(b) Setting up a country no-objection procedure, coordination mechanisms and multi-stakeholder engagement processes;

(c) Mobilizing the private sector and local sources of finance in the context of the country programme; and

(d) Leveraging the network of entities accredited to the GCF for the implementation of their country programmes.

Private Sector Facility Division

3.   The Private Sector Facility Division (PSF) is requesting an additional amount of **USD 0.5 million** which comprises USD 0.35 million for PSF strategy: mapping of climate space and road map; and USD 0.15 million for three regional structured dialogue events. The strategy mapping will provide an operating context, mapping the operating space and where the GCF fits in as follows:

(a)   Identify all the climate finance actors – local and international;

(b)   Also identify who is doing what and where (and how);

(c)   Further identify various operating models and impact;

(d)   Indicate where are the areas of overlap, complementarity and additionality;

(e)   Identify the strategic and competitive advantage of the various players;

(f)   Provide a detailed analysis showcasing a representative group of countries – with a focus on LDCs and SIDs as follows;

      (i)   Outlining their needs; and
      (ii)   Including a separate chapter on middle income countries and their needs based on their states of development;

(g)   Identify critical gaps – geography, products and people;

(h)   Outline where the PSF can be unique, complementary and additional as follows:

      (i)   Where the GCF should lead and where it should partner or follow other leaders; and
      (ii)   Where the GCF can mobilize a large amount of capital leveraging its finance; and

(i)   Highlight choices that the GCF can make in its approach and response.

Division of Support Services

4.   The Division of Support Services is requesting an additional **USD 0.2 million** for human resources professional recruitment firms as the Secretariat continues to strengthen its internal capacity.

Office of the General Counsel

5.   The Office of the General Counsel is requesting an additional amount of **USD 0.6 million** primarily for external counsel for projects which have been approved up to the fifteenth meeting of the Board:

(a)   Approved PSF projects (five) – the Office of the General Counsel has identified 5 PSF projects which will require support from external counsel: Inter-American Development Bank (Green bonds), Corporación Andina de Fomento (Chile), Deutsche Bank AG (Universal Green Energy Access Programme), Development Banks of South Africa (SCF) and XacBank LLC (Mongolia). The Secretariat estimates that, on average, the fees for each project will be USD 100,000, giving a total of USD 500,000;

(b)   Approved mitigation and adaptation projects (up to five) – if the accredited entity requires the funded activity agreements (FAAs) to be governed by local law (other than English or NY law), the Secretariat may need external counsel support to review of the FAA and to issue legal opinions. The Office of the General Counsel estimates that the costs of this support would be no more than USD 20,000 per project. At present, it is not clear whether any such FAAs will require such external counsel support but it cannot be

ruled out and will depend on the accredited entity once the Secretariat starts negotiations on the relevant FAA. Accordingly, to ensure the availability of budget if this is required, the Secretariat would propose to ask for USD 100,000 in total for such projects.

Office of Risk Management

6.   The Office of Risk Management budget request for approximately **USD 0.7 million** in additional funds, which comprises USD 0.5 million for the engagement of consultants to further evolve risk manuals, compliance framework/policies/manuals; and USD 0.2 million for third-party risk assessment opinion.

Annex IV: Results framework

OUTCOME
On-time execution of the delivery of the GCF Board Work Plan is supported by the Secretariat (The KPIs are linked to the Board's draft Work Plan of 2017; list is not exhaustive)
Assumptions: 1) Geo-political and economic circumstances continue to be favourable to GCF's mandate. 2) Continued strong Board support to the fund.

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Outcome KPI 1.1	Key measures of the Strategic Plan Prioritized and implemented	Planned	**Number and volume of approvals made by the Board** **a) Number of Direct Access Entities:** 23 **b) Total GCF funding proposals approved:** USD 1.5 billion **i. Public Sector:** USD 727.28 million **ii. Private Sector:** USD 752.70 million **c) Volume of PPF funding:** USD 1.5 million **d) Volume of NAP funding:** USD 4 million **e) Volume of readiness support funding:** USD 22.4 million **f) Private sector MSME pilot program funding:** USD 32.2 million **g)** Adaptation portfolio balanced in line with the decisions on resource allocation	**Number and volume of approvals made by the Board** **a) Number of Direct Access Entities:** At least => 50% of all entities **b) Total GCF funding proposals approved:** USD 2.5 billion i. **Public Sector:** At least USD 1-1.2 billion ii. **Private Sector:** At least USD 1-1.3 billion **c) Volume of PPF funding:** At least USD 30-40 million Agreements (AMAs) at each Board meeting **d) Volume of NAPs funding:** At least USD 35-40 million **e) Volume of readiness support funding:** At least USD 80-100 million **f) Private sector MSME pilot program funding:** At least USD 40-60 million	**1.** Progress report on the implementation of the readiness and preparatory support program **2.** Status report on the PPF requests received as part of the activities of the Secretariat report 3. Compilation of Country and Entity Work Programs **4.** Report on the pipeline portfolio 5. Reports on the status of Accreditation Master
		Achieved	N/A		

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Outcome KPI 1.2	Processes and policies reviewed and approved by the Board and implemented	Planned	**a) Initial Investment Framework:** In place **b) Policy guidelines for the programmatic approach:** Not in place **c) Risk management guidelines:** Draft in place **d) Performance Measurement Framework:** Yet to be approved by the Board **e) Gender Policy:** Approved	**a) Initial Investment Framework:** Under implementation **b) Policy guidelines for the programmatic approach:** Under implementation **c) Risk management guidelines:** Credit risk policy including concentration risk, Market risk policy including FX risk, Asset Liability Management policy, Advice on Risk Software, Grant Equivalent Calculator, Internal Control Manual presented to the Board (B18) **d) Performance Measurement Framework:** Under implementation as per Board's guidance **e) Gender Policy:**100% of all GCF funded projects comply with the policy	**1.** Board decisions related to Initial Investment Framework **2.** Policy guidance paper on programmatic approach **3.** Risk management framework **4.** Board decision on Performance Measurement Framework
		Achieved	N/A		

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Outcome KPI 1.3	Work Program and Budget of the Secretariat approved	Planned	**Work Program and Budget 2017:** Yet to be approved	**Work Program and Budget 2018:** Considered by the Board	**1.** Decision related to Work Program and Budget 2017 **2.** Decision related to Work Program and Budget 2018
		Achieved	N/A		

GREEN CLIMATE FUND

Office of the Executive Director
OUTPUT 1: Guidance from UNFCCC COP and mandates from Board decisions are effectively implemented

INPUTS ($) 2,812,144 *this does not take into account budget for cross organizational functions. Overall weight of the budget (compared to total proposed Secretariat budget) =6.6% INPUTS (HR-Staff) % of total OED budget: 57% RISK RATING-Low-Medium	Assumptions: 1) Sufficient expertise and skills set available in-house. 2) Inputs on Board documents from Co-Chairs, committees, panels and groups of the Board received on time to allow for the finalization and publication of Board documents 21 calendar days before the first day of Board meetings. 3) The Board approves the draft report presented for its consideration at its 17th meeting and mandates finalization and submission of the report to the UNFCCC Secretariat in a timely manner. 4) Governments cooperate in providing Privilege and Immunities to GCF staff members.

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 1.1	Board's approval for structure and staffing level secured and executed	**Planned**	**a) Number of staff:** 85 **b) Structure:** Executive Director (ED) supported by four directors	**a) Number of staff:** 140 (cumulative) **b) Structure:** New structure operational	**1.** Report on status of the staffing of the secretariat
		Achieved	N/A		

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 1.2	Timeliness of Secretariat documentation to the Board ensured	**Planned**	**a) Timing of the circulation of the provisional agenda for the Board meetings:** 100% (circulated at least 30 Calendar days before the first day of Board meetings) **b) Timing of the circulation of documents in advance of the Board Meetings**: 25% (circulated at least 21 Calendar days before the first day of Board meetings)	**a) Timing of the circulation of the provisional agenda for the Board meetings**: 100% (circulated at least 30 Calendar days before the first day of Board meetings) **b) Timing of the circulation of documents in advance of the Board Meetings:** 50 - 70% (circulated at least 21 Calendar days before the first day of Board meetings)	**1)** Number of documents transmitted to the Board 21 days before the first day of Board meetings
		Achieved	N/A		

GREEN CLIMATE FUND

			Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 1.3	Appropriate actions are take in response to guidance received from the UNFCCC COP		Planned	**a) Timely submission of the GCF Report to the UNFCCC COP that outlines actions taken in response toguidance received:** 100% (Submitted at least 12 weeks prior to the commencement of the twenty-second session of the COP)		**1.** Sixth report of the GCF to the UNFCCC COP submitted 12 weeks in advance of COP23
			Achieved	N/A		

			Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 1.4	Procedures to initiate a proactive and strategic approach to Secretariat Work and country programming operationalized		Planned	**a) Number of countries where GCF have Privileges and Immunities secured:** 10 **b) Comprehensive Risk Management system:** Draft in place **c) Three year internal audit plan:** Currently not in place **d) Integration plan across divisions:** Not in place **e) Policy guidelines for programmatic approach:** Being drafted	**a) Number of countries where GCF have Privileges and Immunities secured:** TBD **b) Comprehensive Risk Management system:** Currently not in place: Risk dashboard operational **c) Three year internal audit plan:** Audit plan continue to be implemented **d) Integration plan across divisions:** Under implementation **e) Policy guidelines for programmatic approach**: Under implementation	**1.** Host Country Agreements **2.** Risk Monitoring Reports **3. T**hree year audit plan and audit report (s) of 2017
			Achieved	N/A		

Division of Country Programming				
OUTPUT 2: On time predictable and efficient access of support for countries and entities (i.e. NDAs, FPs and AEs)				

INPUTS ($) 7,801,266; Overall weight of the budget (compared to total proposed Secretariat budget =18%)	Assumptions: 1. Demand for readiness support continues for development of strategic frameworks and identification of programs and projects. 2. Assessment by the accreditation panel members completed on time. 3. AEs demonstrate continuity in their interest to be engaged with GCF. 4. Sufficient number of entities submitting requests for PPF
INPUTS (HR-Staff) % of total CPD budget: 60%	
RISK RATING-Low-Medium	

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 2.1	Number of a) Regions (Africa, Asia, the Caribbean, Central Asia & Eastern Europe, Latin America, and the Pacific) where structured dialogues are held and b) Countries where workshops are held	Planned	a) Regions: 2 b) Countries: 14	a) Regions: 6 (in 2017) readiness and preparatory support program b) Countries: 40 (in 2017)	1. Progress report on the implementation of the
		Achieved	N/A		

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 2.2	Number of country driven readiness support requests reviewed and processed (including through web-based readiness application support system)	Planned	a) Readiness proposal: 74 b) Number of countries receiving readiness support: 61 c) Readiness grant disbursement volume: USD $4.6m d) Countries completing their Country Program Development Activities: 0 e) Web based readiness system: No system in place to increase the ease and effectiveness of applying for and tracking readiness activities	a) Readiness proposal: 221 (cumulative) b) Number of countries receiving readiness support: 70 (countries in 2017) c) Readiness grant disbursement volume: USD $40m-60m (cumulative) d) Countries completing their Country Program Development Activities: 20 (cumulative) e) Web based readiness system: Operational	1. Progress report on the implementation of the readiness and preparatory support program
		Achieved	N/A		

Output KPI 2.3	(a) Number of entities accredited (b) AE Work programs submitted (c) PPF proposals received and processed and volume (d) NAPs requests received and process and volume	Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
		Planned	a) AE: 48 b) AE Work Programs: 31 c) PPF: i. 1 ii. USD 1.5 million d) NAPs: i. 2 ii. USD 4.	a) AE: 68 (cumulative) b) AE Work Programs: 48 c) PPF: i. 30 ii. USD 30-40 m (cumulative) d) NAPs i.20 ii. 35-40 million	1. Status report on the PPF requests received as part of the activities of the Secretariat report 2. Progress report on the implementation of the readiness and preparatory support program 3. Compilation of Country and Entity Work Programs
		Achieved	N/A		

Division of Mitigation and Adaptation

Output 3: Pro-active engagement with countries and accredited entities in supporting their development and approval of high quality, high impact public sector project pipelines enhanced

INPUTS ($) 5, 663, 98; Overall weight of the budget (compared to total proposed Secretariat budget)=13 %	Assumptions: 1. Guidance to increase efficiency of overall project review process is approved by the Board. 2 AEs have minimum capacity to prepare project pipeline.
INPUTS (HR-Staff) % of total M&A budget:61%	
RISK RATING-Medium-High	

Output KPI 3.1	Number of approved projects till date are finalized with FAA (jointly with Office of the General Counsel)	Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
		Planned	a. Signed: 3 b: Effective: 0	a. Signed: 12 b: Effective: 10	1. Funding Activities Agreements
		Achieved	N/A		

Output KPI 3.2	Number of funding proposals and volume ready for approval by the Board	Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
			a) Public Sector: 24 b) b) Total funding request from the public sector: At Planned c) Total co-financing: USD 2.8 billion	a) Public Sector: 46 (cumulative-22 projects in 2017) Total funding request from the public sector: USD 1.5 billion least USD 2.25 billion c) Total co-financing: USD 4.2 billion	1. Report on the pipeline portfolio
		Achieved	N/A		

GREEN CLIMATE FUND

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 3.3	Number of concept notes cleared (number of public sector project pipeline)	Planned	**a) Clearing capacity:** 57	**a) Clearing Capacity:** 80 (non-cumulative)	**1.** Report on the pipeline portfolio
		Achieved	N/A		

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 3.4	Number of a. public sector projects moving to implementation and b. amount disbursed	Planned	**a) Public Sector Projects:** 1 **b) Amount disbursed:** 0	**a) Public Sector Projects:** 10 (cumulative) **b) Amount disbursed:** USD 60m-100m (cumulative)	**1.** Report on the pipeline portfolio
		Achieved	N/A		

Private Sector Facility Division

Output 4: Private sector pipeline of high impact transformative projects and programs, including from small and medium size enterprises (SMEs) and local financial intermediaries, promoted and sustained

INPUTS ($) 4,276,352; Overall weight of the budget (compared to total proposed Secretariat budget)=10 % INPUTS (HR-Staff) % of total PSF budget: 58% RISK RATING-Medium-High	Assumptions: 1. Strategy and roadmap for engagement with the private sector approved by the Board 2. Sufficient interest continue to be demonstrated by the private sector in GCF 3. Onboarding of right skills set

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 4.1	Number of private sector projects ready for approval by the Board	Planned	**a) Private Sector:** 9 **b) Total funding request from the private sector:** USD 752.70 million **c) Total co-financing:** USD 2.3 billion	**a) Private Sector:** 22 (cumulative) **b) Total funding request from the private sector:** At least USD 1 to 1.3 billion (2017) **c) Total co-financing:** USD 7 billion	**1.** Report on the pipeline portfolio
		Achieved	N/A		

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 4.2	Number of - a) Approved projects moving to implementation b) Amount disbursed	Planned	**a) Moving to implementation:** 1 **b) Amount disbursed:** USD 5.4 million	**a) Moving to implementation:** 5-7 **b) Amount disbursed:** USD 100-150m (cumulative)	**1.** Report on the pipeline portfolio
		Achieved	N/A		

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 4.3	Number and volume of Micro, Small and Medium Sized Enterprise (MSME) Pilot Program proposal proposed and approved by the Board	Planned	**a) Number of proposals submitted:** 7 **b) Number approved:** 2 **c) Volume:** USD 32.2 million	**a) Number of proposals submitted:** 9 **b) Number approved:** 4-5 **c) Volume:** USD Up to 60 million *Above will be achieved by August *Request the release of second tranche in July, 2017	**1.** Report on the pipeline portfolio **2.** Private Sector Advisory Group (PSAG) report to the Board
		Achieved	N/A		

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 4.4	Mobilizing Funding at Scale Pilot Program Launched	Planned	Pilot Program: Approved by the Board for USD 500 million	Generate pipeline aiming to submit initial funding proposals to B.19 for Board consideration	**1.** Report on the pipeline portfolio **2.** PSAG report to the Board
		Achieved	N/A		

Support Services Division

Output 5: Infrastructure, policies, systems, processes and services further developed, institutionalized and strengthened.

INPUTS ($) 9, 352, 737; Overall weight of the budget, including budget of PMU (compared to total proposed Secretariat budget)=22%	Assumptions:
INPUTS (HR-Staff) % of total DSS budget: 60%	1. Sufficient resources available to monitor projects 2. Work program and budget 2017 approved by the Board
RISK RATING: Medium- High	

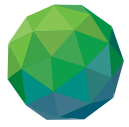|		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 5.1	Portfolio Management Unit (PMU) for project monitoring is in place	Planned	a) **Comprehensive project or project portfolio monitoring system:** Not in place with sufficient alignment between the Secretariat, Board, project and fund level results) b) **Performance Measurement Framework and Initial Results Framework:** Interim in place but not yet approved by the board	a) **Comprehensive project or project portfolio monitoring system:** Annual portfolio progress report drafted b) **Performance Measurement Framework and Initial Results Framework:** under implementation	**1.** Annual Portfolio Progress Reports **2.** Final draft of Performance Measurement Framework and Initial Results Framework completed
		Achieved	N/A		

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 5.2	Administrative Guidelines updated for consideration by the Board	Guidelines in place 2015 completed	a) **Procurement Guidelines:** In place b) **Human Resources Guideline:** In place c) **ICT Guidelines:** Not in place **d)** d) **Travel Guidelines**: Guidelines in place	a) **Procurement Guidelines:** Updated guideline in operation b) **HR Guidelines:** Updated (will be submitted to the Board in B17 for approval) **Travel Guidelines**: Temporary guidelines in place **4.** Travel Guidelines Planned e) **Financial audit:** 2016 completed and approved by the Board	**1.** Updated Procurement Guidelines. **2.** Updated Human Resources Guidelines. **3.** ICT Guidelines **c) ICT Guidelines:** **e) Financial Audit:**

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 5.3	Work Program and Budget prepared	Planned	Work Program and Budget drafted `	Results based draft Work Program and Budget in place for approval by the Board	1. Approved Work Program and Budget
		Achieved	N/A		

Cross Cutting

Output 6: Disbursement maximized to jump start implementation

INPUTS ($) NA	Assumptions:
INPUTS (HR): Cross Cutting	1) Projects fulfil approval conditions of ITAP and the Board.
RISK RATING-Low-Medium	2) AEs finalize AMA and FFA with GCF on time for funding disbursements .

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 6.1	Number of AMAs and FAAs signed (disaggregated by public and private sector)	Planned	**a) AMA:** Public: 22, Private: 3 **b) FAA:** Public: 3 Private 1	**a) AMA:** Public TBD, Private: 7 **b) FAA:** Public: TBD, Private 5	1. Report on the pipeline portfolio 2. Reports on the status of Accreditation Master Agreements (AMAs) at each Board meeting 3. Status of FAA (SMT report)
		Achieved	N/A		

		Phase	Baseline (Dec 2016)	Target (Dec 2017)	Means of Verification
Output KPI 6.2	Volume of fund disbursed	Planned	**a) Funding proposals:** USD 5.5 million **b) PPF:** USD 0.5 million **c) Readiness grant:** USD 2.7 million **d) NAP:** 0 **e) MSME:** 0	**a) Funding proposals:** USD 160-250 million **b) PPF:** USD 3-5 million **c) Readiness grant:** 40-60 million **d) NAP:** USD 2-4 million **e) MSME:** USD 10-20 million	1. Report on the pipeline portfolio 2. Reports on the status of Accreditation Master Agreements (AMAs) at each Board meeting 3. Status of FAA (SMT report)
		Achieved			