

Annex XV: Review of the Interim Trustee of the GCF

[Review of the Interim Trustee of the GCF report to be inserted here.]



REVIEW OF THE INTERIM TRUSTEE OF THE GREEN CLIMATE FUND

FINAL REPORT

SEPTEMBER 23, 2016

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EXECUTIVE SUMMARY

CONTEXT AND APPROACH

This document represents the output from a review of the Interim Trustee of the Green Climate Fund (“GCF”), requested by the GCF’s Board. The objectives of the review were to provide both an assessment of the Interim Trustee’s services and performance to date, and considerations GCF should take into account for the selection of a permanent trustee in the future. The review was conducted by Dalberg Global Development Advisors, who performed it in consultation with and under the oversight of the Risk Management Committee (RMC). The review team decided to maintain a clear separation between the Interim Trustee’s performance and considerations for a permanent trustee. This document is the first of two documents and focuses on the Interim Trustee’s performance.

GCF was established in December 2010 with the purpose of making a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change, by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.

Since GCF’s establishment, the World Bank has been serving as the Interim Trustee of GCF. The Interim Trustee initially supported GCF prior to the recognition of GCF’s legal capacity, entering into agreements directly with contributors, receiving and managing contributions, and making cash transfers to cover the administrative costs of the Interim Secretariat. Its activities changed following the recognition, with a role scheduled to last until no later than 30 April 2018. The current scope of work can be categorized into four areas: (i) contribution management, (ii) investment management, (iii) cash transfers, and (iv) financial reporting.

The review focused on five areas, with a set of key questions for each:

1. Management of investments and costs
2. Contribution management
3. Cash transfers
4. Financial reporting to the Board and the Secretariat
5. Overall relationship with the Board and the Secretariat

Dalberg answered these questions and assessed the Interim Trustee’s performance using a number of data sources and analyses. The review itself had three phases: i) building a fact base for the performance of the Interim Trustee, ii) interviewing stakeholders (including members of GCF’s Board and Secretariat, the Interim Trustee, external stakeholders and comparable organizations), and iii) developing and validating findings and recommendations.

FINDINGS

Overall, our review indicates that the Interim Trustee has been fulfilling its role (as specified in its agreement with GCF¹). However, GCF has recently faced challenges in making its first cash transfer to one of its projects approved by the Board. When GCF requested that the Interim Trustee transfer funds to the executing entity directly, as moving the funds through the project’s accredited entity posed legal and compliance complications for the accredited entity, the Interim Trustee indicated that it is not in a position to make cash transfers to any entity other than the GCF (Secretariat) and

¹ Amended and Restated Agreement on Terms and Conditions for the Administration of the GCF Trust Fund: http://www.greenclimate.fund/documents/20182/24868/Trust_Fund_Agreement_between_GCF_and_IBRD__Amended_.pdf/7ca07ac8-7a83-4f18-847e-e260b32b3e9a?version=1.0

accredited entities. The rationale for this position has to be clarified as the Secretariat had meant to rely on the Interim Trustee to make such transfers under the terms of the agreement.

The GCF has been generally happy with the Interim Trustee's performance. However, some interviewees feel that the role and performance of the Interim Trustee did not meet its full potential in terms of support towards GCF's operations and growth. The interviewees highlighted a number of opportunities for support that would have gone beyond the terms of reference. These opportunities are not part of this review. The review team has captured these in the document "considerations for the process to identify a permanent trustee".

Our findings per review area are summarized below. In general, there was a high degree of satisfaction with the performance of the Interim Trustee as per the terms of its agreement with GCF, but a frequent desire for the Interim Trustee to offer support beyond these strict terms.

Management of investments and costs: The Interim Trustee invests GCF funds according to its default investment strategy, with its primary objective being capital preservation. GCF funds have been performing better than the Interim Trustee's internal benchmarks. GCF currently does not have a formal investment policy, and is likely to benefit from developing one as the organization grows – something the Interim Trustee's advice on would be considered valuable (although beyond its terms of reference). The Interim Trustee's costs and expenses have been either at or under budget, except for FY2014, when the Interim Trustee was asked by the GCF Board to support GCF's Initial Resource Mobilization (IRM).

Contribution management: From the commencement of IRM to July 2016, GCF had raised USD10.3bn equivalent in pledges from 43 different state governments, 3 regions and 1 city, with USD56m raised prior to that. The Board and Secretariat showed a high level of satisfaction with the Interim Trustee's role in contribution management, highlighting the value of its extensive experience with managing other funds, its legal expertise and advice, its responsiveness to GCF's early stage development and its flexibility in dealing with different contributors. Opportunities for the Interim Trustee to provide additional support at Board meetings and in the negotiation and finalization of contribution agreements were noted by some.

Cash transfers: As of mid-September 2016, the Interim Trustee had made cash transfers to the Secretariat for Readiness grants (totalling approximately \$1m), which were disbursed by the Secretariat to grantees, for GCF's administrative costs, and to an accredited entity for one project. Funds transferred by the Interim Trustee so far were handled in a timely and satisfactory manner. However, the first cash transfer to an approved project in mid-September exposed a potential issue; the Interim Trustee indicated that it is not in a position to make transfers to any entity other than the GCF (Secretariat) and accredited entities. The rationale for this position remains unclear and the Secretariat had meant to rely on the Interim Trustee to make the cash transfer under the terms of the agreement. A number of funding proposals in GCF's pipeline provides for a similar structure, with the need to make cash transfers directly to the relevant executing entities.

Financial reporting to the Board and the Secretariat: As of September 2016, the Interim Trustee provided 16 quarterly reports and four annual reports to GCF; no financial statements were requested on an exceptional basis. Both GCF Board and Secretariat showed a positive view in regards to the accuracy, completeness and usefulness of the reports. No instances of revision or requests for revision to financial reports were noted or known. However, it was suggested that a more detailed breakdown of reported numbers could have been provided.

Overall relationship with the Board and Secretariat: Both the GCF Board and Secretariat expressed high satisfaction with the overall relationship with the Interim Trustee, and indicated their contentment with the Interim Trustee’s availability for ad-hoc questions and its representation at the appropriate level. The Interim Trustee’s experience from managing other Funds was again highlighted as particularly valuable. Considering services outside the scope of the current agreement, interviewees proposed that the Interim Trustee could offer advice on GCF’s investment strategy, its level of liquidity, and the replenishment process.

CONCLUSIONS

The review of the Interim Trustee revealed that, overall, stakeholders are happy with its performance across all of its four key roles: management of investments and costs, contribution management, cash transfers, and financial reporting to the Board and the Secretariat; as well as with its overall relationship with the Board and the Secretariat.

However, the emerging challenge with cash transfers needs to be addressed. A number of funding proposals in GCF’s pipeline provides for a structure with the need make cash transfers directly to the executing entities that are not accredited. The current agreement between the Interim Trustee and GCF does not specify different procedures for different recipient entities (e.g., accredited entities, executing entities).

In order to address the needs around cash transfers and investment management, GCF may benefit from exploring options that will change the needs for trustee services and leverage its increasing internal capabilities. A second document outlines the rationale for this, and how this could inform GCF’s approach to selecting a permanent trustee for after April 2018.

1. CONTEXT

HISTORY OF THE GREEN CLIMATE FUND AND ITS GOVERNING STRUCTURE

The Green Climate Fund (“GCF”) was established in December 2010 at the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Cancun, Mexico (COP16) with the purpose of making a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change. The GCF will provide support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.

The GCF is governed and supervised by a Board that has responsibility for funding decisions. It is supported by an Independent Secretariat, which is accountable to the Board and has management capabilities to execute day-to-day operations of the GCF, providing administrative, legal, and financial expertise. It is intended that a permanent trustee will manage the GCF’s financial assets, maintain appropriate financial records, and prepare the relevant financial statements and reports in accordance with the applicable decisions of the Board.

ROLE OF THE INTERIM TRUSTEE

Since GCF’s establishment, the World Bank has been serving as the Interim Trustee of GCF, performing tasks based on the roles and responsibilities, as described in the Amended and Restated Agreement on Terms and Conditions for the Administration of the GCF Trust Fund². The World Bank’s involvement with the GCF as an Interim Trustee has had two phases.

During Phase 1, the Interim Trustee supported the GCF prior to the recognition of the GCF’s legal capacity, during which it worked with the GCF’s Interim Secretariat. In this phase, the Interim Trustee entered into agreements directly with contributors, received and managed contributions, and transferred funds to cover the administrative costs of the Interim Secretariat.

Phase 2, which is ongoing, began when the GCF was endowed with legal personality and is set to continue, along with the World Bank’s role as the Interim Trustee of the GCF Trust Fund, until no later than 30 April 2018. The scope of work during Phase 2 is given below.

THE INTERIM TRUSTEE’S SCOPE OF WORK

Today, the Interim Trustee provides services to the GCF which can be categorized into four areas: (i) contribution management, (ii) investment management, (iii) cash transfers, and (iv) financial reporting.

The Interim Trustee engages in **contribution management** by receiving and administering contributions given to GCF by the contributors in the form of grants, capital, loans and / or cushions. GCF and the Interim Trustee have entered into 27 contribution agreements prior to the Initial Resource Mobilization (IRM) period, and 47 agreements during the IRM period. In addition, the World Bank interacts with the contributors, is present during the negotiations of the contribution agreements, and offers legal support to the GCF.

GCF’s Interim Trustee is also responsible for **investment management** of GCF’s funds; it administers all the contributions within a single trust fund, which is kept separate from the funds

² Amended and Restated Agreement on Terms and Conditions for the Administration of the GCF Trust Fund: http://www.greenclimate.fund/documents/20182/24868/Trust_Fund_Agreement_between_GCF_and_IBRD__Amend_.pdf/7ca07ac8-7a83-4f18-847e-e260b32b3e9a?version=1.0

of the Bank. For administrative and investment purposes, contributions received by the GCF are co-mingled with other trust fund assets maintained by the Interim Trustee. The Interim Trustee is responsible for investing and reinvesting the contributions in accordance with the Bank's policies and procedures. All income generated through such investment activities is credited to GCF.

The Interim Trustee is also responsible for **transferring cash** to cover GCF's administrative costs and providing funds to recipients for Board approved projects and activities, following written instructions from the GCF. As of mid-September 2016, the Interim Trustee had made cash transfers to the Secretariat for Readiness grants (totalling approximately \$1m), which were disbursed by the Secretariat to grantees, for GCF's administrative costs, and to an accredited entity for one project. As GCF carries the fiduciary responsibility once funds have been transferred by the Interim Trustee, GCF introduced an accreditation process³ for entities that would use these resources to carry out projects. The accreditation process seeks to assess these entities in regards to, among other aspects, capabilities of financial management and managing environmental and social risks at project level. As of September 2016, there were 33 accredited entities.

Lastly, the Interim Trustee is responsible for **financial reporting** of GCF activities. The Interim Trustee maintains separate records and ledger accounts of contributions deposited in the GCF Trust Fund and any cash transfers made from GCF. The Trustee also provides quarterly financial reports and annual single audit reports to the Board. To date, the Interim Trustee has provided 16 quarterly reports and 4 annual single audit reports to GCF. The annual audit report includes a combined financial statement for all cash-based trust funds entrusted to the World Bank, as well as a management assertion and an attestation of the Bank's external auditor concerning adequacy of internal controls.

OBJECTIVES OF THE REVIEW

At its 12th meeting, the Board requested the Secretariat to implement a review of the Interim Trustee by commissioning an independent third party, in consultation with and under the oversight of the Risk Management Committee.⁴ The objectives of the review, as requested by the Board, were to provide both an assessment of the Interim Trustee's services and performance to date, and considerations GCF should take into account for the selection of a permanent trustee in the future.

Dalberg Global Development Advisors, the independent third party selected through an international competitive process, conducted the review between 8 August and 21 September 2016. Day-to-day guidance during the project was provided by members of the GCF Secretariat's CFO and Division of Support Services (DSS), who were also responsible for communicating directly with the Risk Management Committee (RMC) regarding updates and challenges.

The contents, approach and methodology of the review were laid out in a Terms of Reference (ToR) document developed by Dalberg in consultation with the Interim Trustee (based on a draft ToR put together by the GCF Secretariat). This ToR document was then reviewed by the DSS and the RMC, and finalized on 31 August 2016. The review team decided to maintain a clear separation between the Interim Trustee's performance and considerations for a permanent trustee. This document is the first of two document and focuses on the Interim Trustee's performance.

³ As decided upon at the Seventh and Eighth Meeting of the Board (Decision B.07/2 on the initial guiding framework of the accreditation process described in GCF/B.07/11 Decisions of the Board – Seventh Meeting of the Board, 18-21 May 2014 as well as Decisions B.08/02-B.08/06 on additional process-related matters at the Eighth Meeting of the Board as described in GCF/B.08/45 Decisions of the Board – Eighth Meeting of the Board, 14-17 October 2014)

⁴ Following Decision B.12/38 as described in GCF/B.12/32 Decisions of the Board – Twelfth Meeting of the Board, 8-10 March 2016

2. METHODOLOGY AND APPROACH

I. REVIEW METHODOLOGY

As agreed in the ToR and following consultations with the RMC, DSS, and the Interim Trustee, Dalberg focused its review of the Interim Trustee across the following five areas:

1. Management of investments and costs
2. Contribution management
3. Cash transfers
4. Financial reporting to the Board and the Secretariat
5. Overall relationship with the Board and the Secretariat

In order to assess the performance of the Interim Trustee across all five areas, Dalberg developed key questions for each review area. These questions also build on those in the Secretariat's draft ToR, and reflect revisions and additions based on Dalberg's past experience, as well as input from the RMC, the DSS team, and the Interim Trustee.

Table 1: Interim Trustee Review – Key questions

Area of review	Key questions
Management of investments and costs	<ul style="list-style-type: none"> • What has been the annualized return on investments on liquid GCF Trust Fund balances (since the inception of the GCF, and within the last 2 and 1 year period)? • How does this compare to returns of the World Bank Trust Funds portfolio of investments during the same time periods? • What benchmark is used by the fund manager to measure performance, and how has GCF Trust Fund's investment portfolio performed with respect to this benchmark? • What returns have equivalent trust funds' investment portfolios (in other organizations with similar objectives, disbursement profiles, and risk tolerances) seen? • How do the Interim Trustee's investments for the GCF Trust Fund compare in its asset mix to GCF's expectations? • How have the Interim Trustee's costs as % of assets under management evolved, and how does this compare to costs charged by other trustees? • How have the Interim Trustee's actual costs and expenses compared against budget? If there is a significant difference, what explains this difference?
Contribution management	<ul style="list-style-type: none"> • How many contribution agreements have been finalized during Phase 1 and Phase 2? • How many contribution agreements have been drafted jointly with the Secretariat during Phase 1 and Phase 2? • How was the quality of the Interim Trustee's interventions during these meetings and conference calls? • How many requests regarding payments of cash and deposits of promissory notes did the Interim Trustee send to contributors?

	<ul style="list-style-type: none"> • How responsive and timely was the Interim Trustee in responding to inquiries from the Secretariat and contributors? • What has been the quality of the Interim Trustee’s interaction with contributors and the Secretariat been, in its execution of legal contracts? • Is there any room for improvement in the Interim Trustee’s execution of legal contracts?
Cash transfers	<ul style="list-style-type: none"> • How many cash transfers were completed annually by the Interim Trustee in accordance with Board decisions, and what is the total value of these transfers? • What has been the average time between requests for cash transfers issued to the Interim Trustee, and funds received? • How many technical issues have there been in receiving or transferring cash, caused by technical and human issues by the Interim Trustee?
Financial reporting to the Board and the Secretariat	<ul style="list-style-type: none"> • How many quarterly, annual, and other reports did the Interim Trustee provide to the GCF Board and Secretariat? • How many quarterly, annual, and other reports did the Interim Trustee provide to the GCF Board and Secretariat on time (in accordance with agreed timelines)? • How many reports were deemed by the Secretariat as needing revision due to inaccuracies? • How useful and complete were the Interim Trustee’s financial and other (e.g., audit) reports? • How responsive has the Interim Trustee been in responding to requests for changes from the Board or the Secretariat?
Overall relationship with the Board and Secretariat	<ul style="list-style-type: none"> • What has been the participation rate of the Interim Trustee in Board meetings? • How high has the quality of the Interim Trustee’s interaction with GCF Board and Secretariat been? • How can the Interim Trustee’s ‘customer service’ be improved? • Is there any room for improvement in the Interim Trustee’s customer service, within the existing scope of services agreed between GCF and the Interim Trustee? • What are some additional services that stakeholders would like to see GCF’s (current Interim, or future) Trustee provide (outside of the current scope of services agreed between GCF and the Interim Trustee)?

Dalberg answered these questions and assessed the Interim Trustee’s performance using a number of data sources and analyses. The following table includes the key sources and methodologies we used to assess performance for each of the review areas.

Table 2: Source and analysis

Area of review	Key Sources	Analyses
Management of investments and costs	<p><u>Interviews with:</u></p> <ul style="list-style-type: none"> • GCF Board and Secretariat • Interim Trustee staff <p><u>Data:</u></p> <ul style="list-style-type: none"> • Interim Trustee financial reports for GCF 	<ul style="list-style-type: none"> • Synthesis of interviews with GCF Board and Secretariat, and Interim Trustee staff • Review of financial reports (for GCF and other Trust Funds) and investment performance data from the Interim Trustee

	<ul style="list-style-type: none"> • Interim Trustee financial reports for other trust funds • Interim Trustee investment performance data 	<ul style="list-style-type: none"> • Analysis of different types of costs charged by the Interim Trustee • Analysis of Interim Trustee costs and expenditures budget vs. actual and reasons behind the difference
Contribution management	<p><u>Interviews with:</u></p> <ul style="list-style-type: none"> • GCF Board and Secretariat • Interim Trustee staff <p><u>Data:</u></p> <ul style="list-style-type: none"> • Contribution agreements • GCF data on pre-IRM and IRM pledges 	<ul style="list-style-type: none"> • Synthesis of interviews with GCF Board and Secretariat, and Interim Trustee staff • Quantitative analysis of number of contribution agreements signed and drafted (pre-IRM and IRM) • Evaluation of the Interim Trustee’s quality of interaction with contributors and GCF Secretariat regarding contribution agreements and arrangements
Cash transfers	<p><u>Interviews with:</u></p> <ul style="list-style-type: none"> • GCF Board and Secretariat • Interim Trustee staff <p><u>Data:</u></p> <ul style="list-style-type: none"> • Cash transfers made to GCF Secretariat for the Readiness program • Cash transfers to accredited entities – first transfer made in mid-September 	<ul style="list-style-type: none"> • Synthesis of interviews with GCF Board and Secretariat, and Interim Trustee staff
Financial reporting to the Board and the Secretariat	<p><u>Interviews with:</u></p> <ul style="list-style-type: none"> • GCF Board and Secretariat • Interim Trustee staff <p><u>Data:</u></p> <ul style="list-style-type: none"> • Interim Trustee financial reports for GCF • Interim Trustee annual single audit reports 	<ul style="list-style-type: none"> • Synthesis of interviews with GCF Board and Secretariat, and Interim Trustee staff • Analysis of the usefulness and completeness of reports from Interim Trustee • Evaluation of Interim Trustee reports to GCF for quality of content, timeliness and accuracy
Overall relationship with the Board and Secretariat	<p><u>Interviews with:</u></p> <ul style="list-style-type: none"> • GCF Board and Secretariat • Interim Trustee staff <p><u>Data:</u></p> <ul style="list-style-type: none"> • n/a 	<ul style="list-style-type: none"> • Evaluation of the Interim Trustee’s ‘customer service’ quality (e.g., through representation at Board meetings and availability in between Board meetings) • Evaluation of how ‘customer service’ can be improved within the existing scope of services as defined in the current ToR • Evaluation of any additional service that stakeholders would like to see

		<p>added to future permanent trustee's ToR</p> <ul style="list-style-type: none"> • Analysis of any restrictions that would prevent contributors from giving funding to GCF via an alternative trustee (e.g., commercial banks)
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II. REVIEW APPROACH

Dalberg implemented the review of the Interim Trustee and the assessment of considerations for GCF's selection of a permanent trustee through three phases described below.

I. BUILD A FACT BASE FOR THE PERFORMANCE OF THE INTERIM TRUSTEE

In order to conduct a comprehensive review of the Interim Trustee, Dalberg developed specific and measurable indicators across each of the five review areas. Like the key review questions, these indicators also built on those in the Secretariat's draft ToR, and reflect revisions and additions based on Dalberg's past experience, as well as input from the Risk Management Committee and the DSS team, and the Interim Trustee.

Table 3: Interim Trustee Review – Key indicators

Area of Review	Key indicators
Management of investments and costs	<ul style="list-style-type: none"> • Returns since the inception of the GCF and in the last 1 and 2 year period • Returns of the World Bank Trust Funds portfolio of investments in the last 1, 5, and 10 year period • Returns compared to the benchmarks used (by Interim Trustee) • Returns in equivalent trust funds' investment portfolios in other relevant organizations with similar objectives, disbursement profiles and risk tolerances • Qualitative assessment of the Interim Trustee's investments compared to GCF expectations (including asset mix) • Evolution of costs as a % of assets under management, in comparison to other similar Trustees • Interim Trustee's actual costs and expenses against budget
Contribution management	<ul style="list-style-type: none"> • # of contribution agreements signed (in Phase 1 and Phase 2) • # of contribution agreements drafted (in Phase 1 and Phase 2) • Timeliness of requests sent to contributors regarding payments of cash and deposits of promissory notes according to the signed contribution agreements • Qualitative assessment of the quality and timeliness of responses to inquiries from the Secretariat and contributors • Qualitative assessment of the Interim Trustee's interventions at joint meetings and conferences

	<ul style="list-style-type: none"> • Qualitative assessment of contributors and the Secretariat’s interactions with Interim Trustee legal staff regarding contribution agreements and arrangements
Cash transfers	<ul style="list-style-type: none"> • # and amount of cash transfers made in accordance with Board decisions • Average time between request for cash transfer issued and funds received • # of technical issues receiving or transferring money caused by technical and human issues by the Interim Trustee
Financial reporting to the Board and the Secretariat	<ul style="list-style-type: none"> • # of quarterly, annual and other reports provided • # of quarterly, annual and other reports provided on time (in accordance with agreed timelines) • # of reports that were deemed by the Secretariat as needing revision due to inaccuracies • Qualitative assessment of the usefulness and completeness of report content • Qualitative assessment of responsiveness to requests from the Board or the Secretariat, in accordance with procedures agreed between the GCF and the Interim Trustee
Overall relationship with the Board and Secretariat	<ul style="list-style-type: none"> • Qualitative assessment of Board members and the Secretariat’s interaction with Interim Trustee and their interventions • % participation rate of the Interim Trustee in GCF Board meetings • Qualitative assessment of GCF Interim Secretariat’s interactions with the Interim Trustee prior to the establishment of GCF

During this phase, Dalberg also reviewed all documents listed in Annex A of this document to assess performance against these indicators, before commencing stakeholder interviews.

II. INTERVIEW STAKEHOLDERS

In this phase, Dalberg developed a set of interview questions and carried out interviews with the following four groups of stakeholders, whose names and contact details were shared by the DSS team:

- GCF Board members – Representative sample of the Board constituents (including developed countries and developing countries) and their staff
- GCF Secretariat and Interim Secretariat – Members of the GCF Secretariat including the CFO, and selected interviewees from the Interim Secretariat
- Interim Trustee – Responsible staff at the Interim Trustee
- Members of secretariats of other trust funds managed by the Interim Trustee and other offerors of trust fund management services

It is worth noting that in order to ensure a representative sample of the Board constituents as much as possible, the DSS team reached out to developed country Board members once, and developing country Board members twice (due to lack of response in the initial outreach) over the course of the review. Dalberg interviewed all Board members (and/or their staff) who indicated interest and were available for an interview during the time frame of this review.

The interview questions were developed to capture the Interim Trustee’s performance against each indicator presented in Table 3. The questions were tailored for each stakeholder group to reflect the type of interaction each stakeholder would have had with the Interim Trustee. Dalberg

also shared the interview questions with GCF and the Interim Trustee and incorporated their feedback. A detailed set of questions for each stakeholder group has been included in Annex C.

Dalberg conducted a total of 28 interviews (a complete list of conducted interviews is given in Annex B).

III. DEVELOP AND VALIDATE FINDINGS AND RECOMMENDATIONS

In this phase, the Dalberg team used the fact base we developed through desktop research and stakeholder interviews to synthesize our findings and recommendations. This report also incorporates feedback from GCF during our meetings in Korea to present and discuss our findings, where we worked through the implications of our findings on the selection of a permanent trustee. Feedback from the Interim Trustee, who was given the opportunity to review this final report, has also been incorporated.

3. OVERVIEW OF FINDINGS

Our review indicates that the Interim Trustee has been fulfilling its role, as specified in the Amended and Restated Agreement on Terms and Conditions for the Administration of the GCF Trust Fund⁵, and that overall, stakeholders are satisfied with the Interim Trustee’s performance. That said, some interviewees feel that the role and performance of the Interim Trustee did not meet its full potential in terms of support towards GCF’s operations and growth.

The interviewees highlighted a number of opportunities for support that would have gone beyond the terms of reference. These opportunities are not part of this review. The review team has captured these in the document “considerations for the process to identify a permanent trustee”.

While the full list of indicators can be found in the next section (“Detailed Findings by Review Area”), the following presents an overview of our findings in the five review areas.

I. Management of investments and costs

The Interim Trustee invests GCF funds according to the Interim Trustee’s default investment strategy for all Trust Funds (“REST class investment strategy”), whose primary objective is capital preservation. As part of the REST class investment strategy, GCF funds are predominantly allocated to the Interim Trustee’s Investment Model Portfolio 1⁶. Both GCF funds and Model Portfolio 1 have been performing better than the internal benchmarks of the Interim Trustee for this portfolio. However, GCF currently does not have a formal investment policy, and is likely to benefit from developing one as the organization grows. It was pointed out in the interviews that the Interim Trustee could have contributed with valuable advice in this regard (although it was not in its terms of reference). The Interim Trustee’s costs and expenses have been either at or under budget, except for the FY2014, when the Board requested the Interim Trustee’s help in organizing the IRM.

II. Contribution management

As of July 2016, GCF had raised USD10.3bn⁷ equivalent in pledges from 43 different state governments, 3 regions and 1 city since the start of the IRM in 2015. In the pre-IRM period, GCF was able to raise USD56m⁸. Both the Board and Secretariat showed a high level of satisfaction with the Interim Trustee’s role in contribution management, and particularly highlighted the value of the Interim Trustee’s extensive experience with managing other funds. In addition, the Interim Trustee’s legal expertise and advice, its responsiveness to GCF’s early stage development and its flexibility in dealing with different contributors was highlighted. Some interviewees from the Secretariat and Board, however, noted opportunities for the Interim Trustee to provide additional support in its role at Board meetings (e.g., by providing updates on their activities during the past quarter) and in the negotiation and finalization of contribution agreements (e.g., by being more proactive in sharing information and providing advice, which was in the Interim Trustee’s scope during the IRM process).

⁵ Amended and Restated Agreement on Terms and Conditions for the Administration of the GCF Trust Fund: http://www.greenclimate.fund/documents/20182/24868/Trust_Fund_Agreement_between_GCF_and_IBRD__Amended_.pdf/7ca07ac8-7a83-4f18-847e-e260b32b3e9a?version=1.0

⁶ The Interim Trustee’s Investment Portfolio Model 1 is managed to an objective of a very low probability of losses over a time horizon of one year and thereby ensures liquidity and timely availability of cash. Section V.1.1 presents a more detailed discussion on the Interim Trustee’s management of investments and costs.

⁷ Aggregated sum of contributions reported in the “Status of Pledges as of July 8th 2016” spreadsheet provided by the GCF Secretariat

⁸ Aggregated sum of the pre-IRM contributions reported in the “Total Cash Receipts up to 31/12.2014 including data on contribution agreements before the Initial Resource Mobilization Process” spreadsheet provided by the GCF Secretariat

III. Cash transfers

As of mid-September 2016, the Interim Trustee had made cash transfers to the Secretariat for Readiness grants (totalling approximately \$1m), which were disbursed by the Secretariat to grantees, for GCF's administrative costs, and to an accredited entity for one project. However, GCF has recently faced challenges in making its first transfer to one of its projects approved by the Board. When GCF requested that the Interim Trustee transfer funds to the executing entity directly, as moving the funds through the project's accredited entity posed legal and compliance complications for the accredited entity, the Interim Trustee indicated that it is not in a position to make transfers to any entity other than the GCF (Secretariat) and accredited entities. The rationale for this position remains unclear, and the Secretariat had meant to rely on the Interim Trustee to make the cash transfer under the terms of the agreement. While the GCF Secretariat confirmed that transfers of funds by the Interim Trustee were handled in a timely and very satisfactory manner, this latest challenge gives rise to concern.

IV. Financial reporting to the Board and the Secretariat

As of September 2016, the Interim Trustee provided 16 quarterly reports and four annual reports to GCF. No financial statements were requested on an exceptional basis. Both GCF Board and Secretariat showed a positive view in regards to the accuracy, completeness and usefulness of the reports. Although the Interim Trustee held some initial discussions on the format of the financial reports with GCF's Interim Secretariat, our interviewees were unaware of any instances of revision or requests for revision during the Interim Trustee's current work with the Secretariat. However, some members of the Board and the Secretariat suggested a more detailed breakdown of the reported numbers could have been provided.

V. Overall relationship with the Board and the Secretariat

Both the GCF Board and Secretariat expressed high satisfaction with the overall relationship with the Interim Trustee. The interviews showed that both actors were very content with the Interim Trustee's availability for ad-hoc questions and its representation at the appropriate level. The Interim Trustee's experience from managing other Funds was again highlighted as particularly valuable to GCF. Considering services outside the scope of the current agreement, interviewees proposed that the Interim Trustee could offer advice on GCF's investment strategy, its level of liquidity, and the replenishment process.

4. DETAILED FINDINGS BY REVIEW AREA

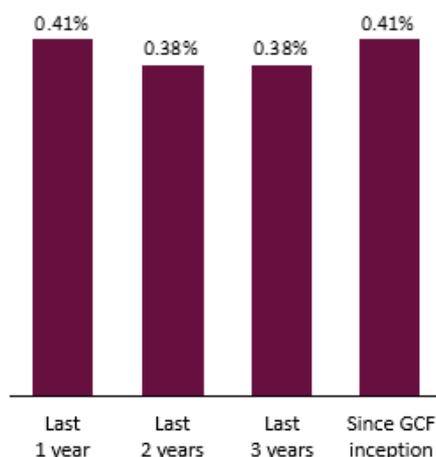
I. MANAGEMENT OF INVESTMENTS AND COSTS⁹

I.1 Annualized return on investments on liquid GCF Trust Fund balances since the inception of the GCF, and within the last 2 and 1 year period

GCF Trust Fund balances are invested according to the Interim Trustee’s default investment strategy (“REST class investment strategy”) for all Trust Funds. As a part of the REST class investment strategy, GCF’s funds are predominantly allocated to a capital preservation investment tranche (“Model Portfolio 1 (USD)”) which is managed to an objective of a very low probability of losses over a time horizon of one year.¹⁰ Investments within this tranche are restricted to local currency sovereigns, foreign currency sovereigns, agencies, other official entities and multilaterals rated at least AA-, corporates and asset-backed securities rated at least AAA, and deposits with banks rated at least A-.¹¹

The GCF had a liquid balance¹² of USD1.4bn as of March 2016. GCF’s annualized return on investments have been fairly stable; 0.41% during the past year, 0.38% during the last two years, 0.38% during the last three years, and 0.41% since the inception of GCF.¹³

Figure 1. Annualized return on GCF Trust Fund investments within the last 1 year, 2 years, 3 years and since its inception (%)



I.2 Return on investments on liquid GCF Trust Fund balances compared to investment benchmarks used by the Interim Trustee

GCF’s Trust Fund balances have always performed better in comparison to the Interim Trustee’s internal benchmarks for Model Portfolio 1. The figure below shows annual benchmarks for the USD

⁹ Dalberg received the GCF Financial Report prepared by the Interim Trustee as of 30 June 2016 on 30 August 2016. However, the analyses in this section use GCF’s investment data provided in the Financial Report as of March 2016, as the Interim Trustee’s Model Portfolio 1 and benchmark figures were provided as of March 2016.

¹⁰ Green Climate Fund Trust Fund Financial Report, March 2016, p.6

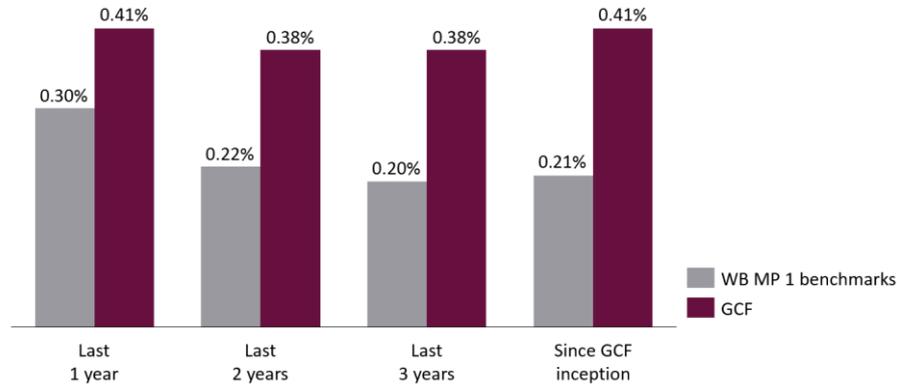
¹¹ Trust Fund Portfolio and Excess Returns (Gross of Fees), November 2015, p.3

¹² Defined as cash and investments held in Trust with no restrictions. This figure does not include promissory notes.

¹³ All figures are as of 31 March 2016.

Model Portfolio 1¹⁴, which most of GCF balances are allocated to, as well as GCF’s annualized returns during the same financial years.

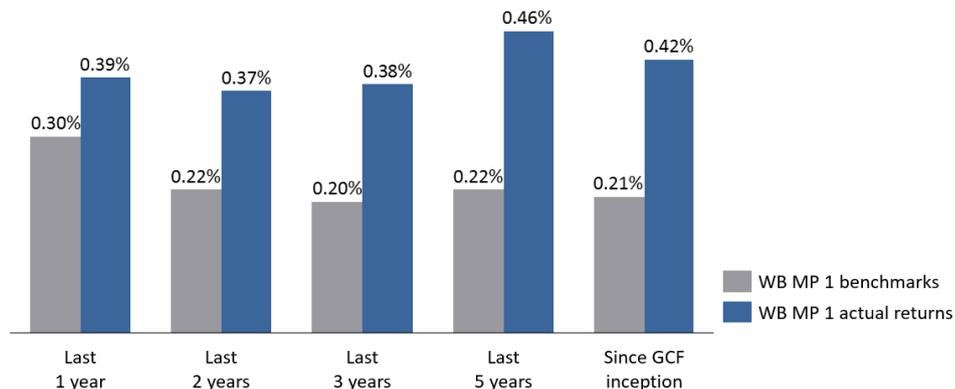
Figure 2. Annualized benchmarks for Interim Trustee’s USD Model Portfolio 1 vs. Annualized GCF Trust Fund returns for the last 1 year, 2 years, and 3 years (%)



I.3 Returns of Interim Trustee Trust Funds portfolio of investments in the last 10, 5 and 1 year period

The Interim Trustee has seen a stable rate of returns for USD Model Portfolio 1, which were consistently above the Model Portfolio 1 benchmarks. USD Model Portfolio 1’s annualized returns on investments were 0.39% during the past year, 0.37% during the last two years, 0.38% during the last three years, 0.46% in the last 5 years, and 0.42% since the inception of the GCF.¹⁵

Figure 3. Annualized benchmarks for Interim Trustee’s USD Model Portfolio 1 vs. Annualized returns of USD Model Portfolio 1 (%)¹⁶



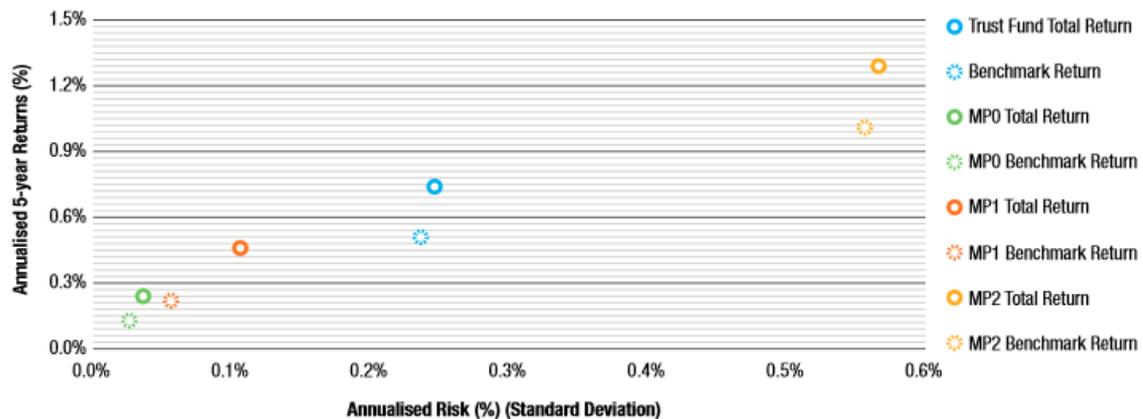
¹⁴ A Model Portfolio may comprise multiple investment strategies (including REST class investment strategy) which are measured against a benchmark. The benchmark returns therefore represent the combined returns of all strategies within each Model Portfolio.

¹⁵ All figures are as of 31 March 2016.

¹⁶ The World Bank Trust Fund Pool.

These annualized return rates were in between those of Model Portfolio 0¹⁷ and Model Portfolio 2¹⁸ over the past five years, which offer different mixes of investment objectives and asset allocations. The figure below shows Model Portfolio 1’s annualized returns, in comparison to other portfolios.

Figure 4. Annualized 5-year returns of and risk characteristics for Model Portfolios managed by the Interim Trustee (%)¹⁹



The annualized return over the past ten financial years for Model Portfolio 1 is unavailable; the Interim Trustee commented that Model Portfolio 1 was restructured in March 2008, which makes it difficult to show performance before that time as this would not present a valid comparison. The change that occurred in March 2008 was that the cash portfolios within Model Portfolios 1 and 2 were transferred to Model Portfolio 0.

1.4 Returns in equivalent trust funds’ investment portfolio in other relevant organizations with similar objectives

Dalberg selected four trust funds whose activities and objectives are similar to that of GCF as external benchmarks in returns: Clean Technology Fund (CTF), Strategic Climate Fund (SCF), Special Climate Change Fund (SCCF), and Adaptation Fund (AF). Both CTF and SCF are part of the Climate Investment Funds.

GCF’s returns during the past year were lower than that of the Climate Investment Funds (CTF and SCF), but higher than SCCF and AF.²⁰ However, it should be noted that these figures are not directly comparable, as each trust fund is invested in a different combination of tranches. For example, GCF’s balances are allocated predominantly to Model Portfolio 1, whereas the CTF’s and SCF’s balances are allocated across Model Portfolio 0, 1, and 2, with Model Portfolio 2’s higher yielding but riskier approach fundamentally different to Model Portfolio 1’s, with its primary objective of ensuring liquidity and timely availability of cash when needed.²¹ Therefore, this comparison

¹⁷ Model Portfolio 0 has the same investment objective as Model Portfolio 1 (“Enhance returns subject to ensuring liquidity and timely availability of cash when needed”), but its asset allocation is categorized as ‘overnight cash’.

¹⁸ Model Portfolio 2 has the investment objective to maximize returns subject to limiting negative returns over a three-year horizon and has a dynamic asset allocation across government bonds, money markets and US Agency Mortgage-Backed Security.

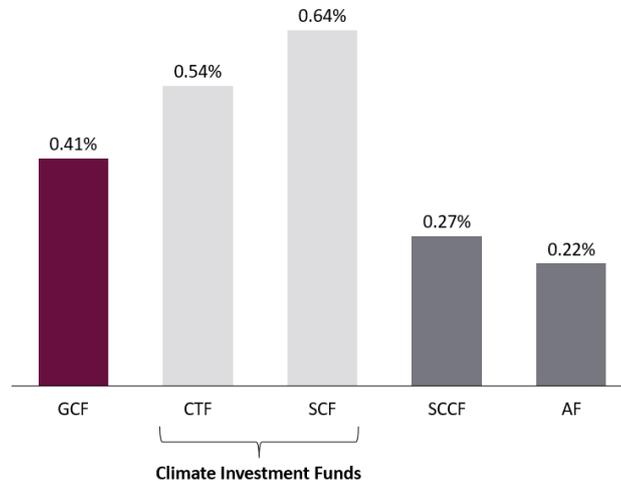
¹⁹ Investment Management of Trust Funds and Financial Intermediary Funds, World Bank Group, March 2016, p.7

²⁰ Please note that GCF return figures represent returns during the past year as of 31 March 2016, while other funds’ figures represent returns as of 31 December 2015. Comparable return figures for the other funds (as of 31 March 2016) were not provided by the Interim Trustee.

²¹ Investment Management of Trust Funds and Financial Intermediary Funds, World Bank Group, March 2016. p.4

(presented in the figure below) serves to illustrate how GCF's returns could potentially evolve in the future, rather than providing external benchmarks for direct comparison.

Figure 5. Returns in investment portfolio of other selected trust funds managed by the Interim Trustee within the past one year (%)²²



1.5 Qualitative assessment of Interim Trustee's investments compared to GCF's expectations (particularly in its asset mix)

GCF currently does not have any formalized investment policies, and no formal expectations were communicated to the Interim Trustee regarding GCF's investments. This was also confirmed by an interviewee from the Secretariat, who stated that GCF's absence of a policy on how to invest its excess funding deposited at the Interim Trustee contributed to relatively low returns of GCF Trust Fund balances (although, as explained below, the returns are unlikely to have been higher without GCF's quarterly cash flow projections). This interviewee also stated that although this is outside the scope of the agreement between the GCF and the Interim Trustee, some more advice from the Interim Trustee would have been appreciated in this regard. However, a board member reported that there are ongoing discussions with the Interim Trustee around adjusting certain aspects of the investment strategy, for instance, regarding de-carbonization of investments pursued with GCF funds.

The Interim Trustee mentioned that there had previously been discussions with the GCF's CFO about investing in a longer term tranche. The possibility of creating a two-year tranche, for example, was discussed, as a longer term tranche would have gone beyond the Interim Trustee's current mandate (ending in April 2018). However, the Interim Trustee stated that one of the eligibility requirements for this type of investment is that GCF provides cash flow projections on a quarterly basis for two years. The Interim Trustee further explained that this has been understandably difficult for GCF to provide, given that the organization has only recently started to disburse funding. Therefore, the Interim Trustee stated that even if GCF had a formal investment policy, this would have likely not changed the way how GCF's liquid assets have been invested.

Our interviews with some other stakeholders seemed to also indicate that the Interim Trustee may be hesitant to take on this role, for reasons related to the broader view of the Interim Trustee and its role discussed in Section V ("Overall relationship with the Board and the Secretariat").

²² Please note that GCF return figures represent returns during the past year as of 31 March 2016, while other funds' figures represent returns as of 31 December 2015. Comparable return figures for the other funds (as of 31 March 2016) were not provided by the Interim Trustee.

I.6 Evolution of investment management costs as a percentage of assets under management, in comparison to other similar trustees

The Interim Trustee sets its investment management costs at 0.035% of the average annual (undisbursed) balance in GCF's funds. This is applicable across all trust funds managed by the Interim Trustee.

An interviewee from the Secretariat mentioned that the team was satisfied with both the Interim Trustee's investment management services. In addition, the associated fees were found not unreasonable in comparison with other investment managers in the market. The interviewee also explained that when comparing the Interim Trustee's investment management fees against external benchmarks, the Interim Trustee's high quality risk control measures would need to be taken into account. As the GCF considers a permanent partner for investment management services, it will need to take into account not only how the investment management costs compare to external benchmarks, but also the degree to which stringent financial risk control measures are in place.

I.7 Interim Trustee's actual costs and expenses against budget

There are four categories to the Interim Trustee's costs and expenses: financial and program management²³, investment management²⁴, accounting and reporting²⁵, and legal services²⁶. The financial and program management is the largest cost category, accounting for 48% of the actual expenditure in FY2015. This is followed by legal services, which accounted for 21% of the actual FY2015 expenditure. The Interim Trustee invoices costs to GCF as incurred. The Interim Trustee stated that this time-based costing method guarantees both cost recovery for the Interim Trustee in case of unexpected obligations while, at the same time, securing that clients and contributors are only charged for services provided.

The Interim Trustee's actual costs and expenses were always in line with or under the budgeted amount, with the exception of 2014, when actual costs and expenses were 27% over the budgeted figure. This additional expenditure was due to the IRM, which the Board made the decision to commence in May 2014.²⁷ This is also noted in the annual Status of Resources report, which states that the increase in actual expenditure was primarily due to "the additional costs and expenses associated with support to the Secretariat during the resource mobilization process."²⁸ An interviewee from the Secretariat confirmed this reason and added that the budget numbers for

²³ Financial and program management costs cover "processes and procedures relating to all aspects of financial transactions, management and processing of contributions, including negotiation and execution with contributors, all banking, foreign exchange, payment requests and acknowledgements; executing cash transfers to recipients; regular financial reporting and activities related to preparation of financial statements and external audit." It also includes day-to-day enquiries from Secretariat, Contributors and other GCF constituencies and stakeholders, and ad hoc advisory services to the Secretariat.

²⁴ Investment management costs are calculated at 0.035% of the estimated average annual undisbursed balance in the GCF Trust Fund.

²⁵ Accounting and reporting includes maintenance of appropriate records and accounts to identify contributions and other receipts and GCF Trust Fund liabilities.

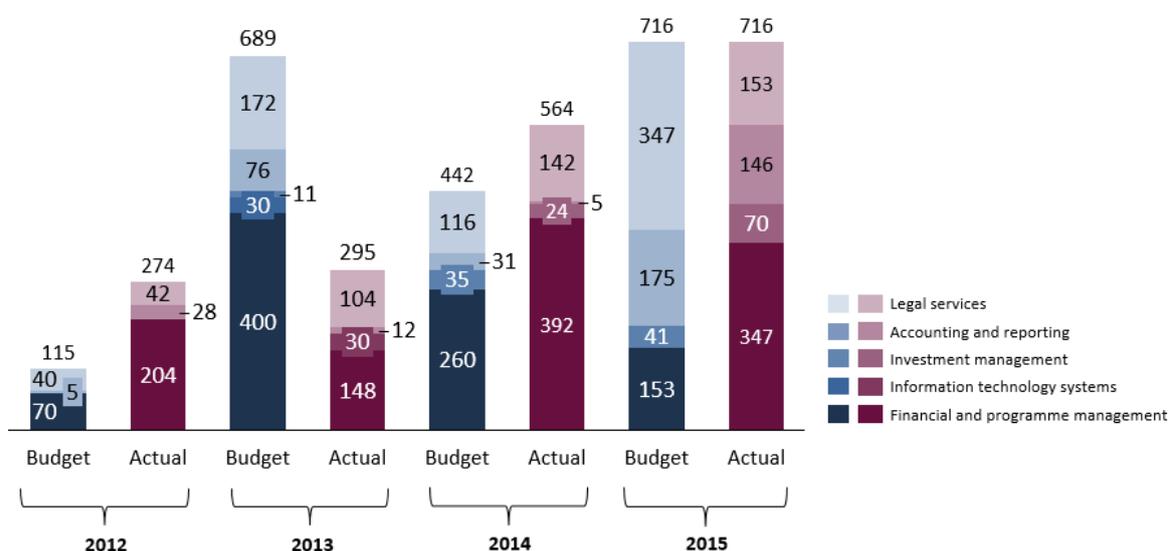
²⁶ Legal services include the preparation of contribution agreements and arrangements with contributors and other agreements and arrangements as required, including with the GCF, and review of documents of the GCF given their impact on the role of the Interim Trustee.

²⁷ Decision B.07/09 as described in GCF/B.07/11 Decisions of the Board – Seventh Meeting of the Board, 18-21 May 2014

²⁸ GCF BM-2015 Inf.02 Status of Resources 1 January to 31 December 2014, p.5

FY2014 and FY2015 were only rough estimates as the GCF had difficulties predicting costs at this early stage of the organization.

Figure 6. Interim Trustee’s actual costs and expenses against budget (thousands of dollars)²⁹



In 2014, when the actual expenditure of the Interim Trustee was over budget by USD121,224 due to the reasons described above, the Interim Trustee expenditure constituted 5.8% of the total 2014 administrative expenditure (USD9.7m). This was a larger proportion of the total spending than expected. However, it should also be noted that the total administrative expenditure was much less than budgeted in 2014, as the Secretariat spent less than half of its budgeted amount. As a comparison, if the Board and the Secretariat had spent as much as the budgeted amount in 2014, the Interim Trustee costs would have accounted for 3.0% of the total administrative budget.

In 2015, the Interim Trustee’s actual costs were 3.7% of the total administrative expenditure of the Secretariat, Board and the Interim Trustee (USD19.6m), and the costs are budgeted to be between 2.6% of the 2016 total administrative budget, 2.6% of the 2017 budget, and 2.8% of the 2018 budget.

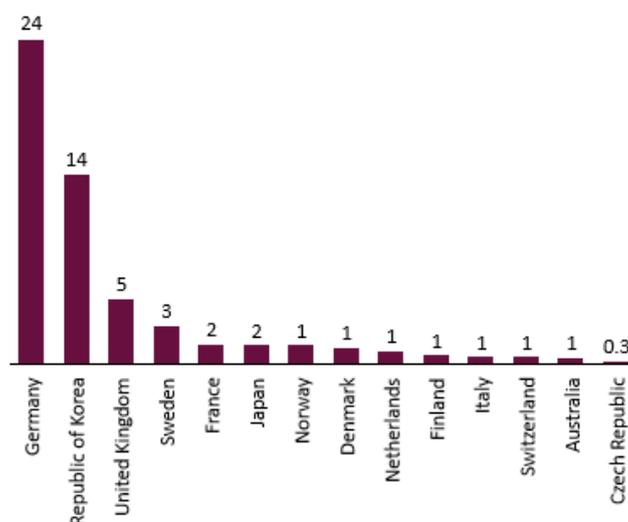
²⁹ The data provided for the year 2012 includes figures from 1 January 2012 until 31 October 2012. The data provided for the year 2013 shows the Interim Trustee budget and costs for 1 November 2012 until 31 December 2013.

II. CONTRIBUTION MANAGEMENT

II.1 Number of contribution agreements signed

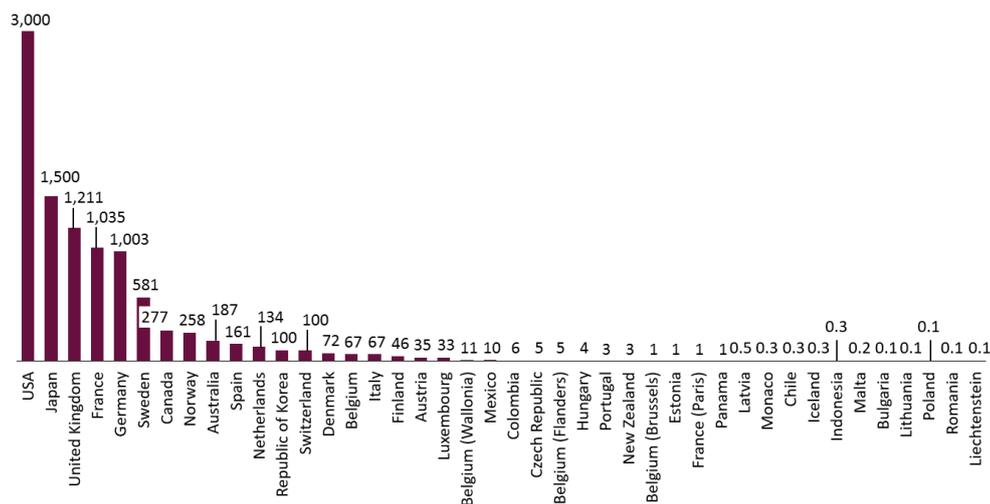
Between June 2012 and December 2014 prior to the IRM period, there were 27 contribution agreements signed with 14 countries, totaling USD55.8m. Germany was the largest contributor, followed by Republic of Korea, United Kingdom, France and Sweden.

Figure 7. Signed contribution agreements by pledge amount during June 2012-December 2014 (millions of dollars)³⁰



Since the commencement of the IRM in the beginning of 2015, there have been 47 contribution agreements signed with 39 countries, some of whom had also contributed pre-IRM. As of 5 September 2016, the pledge value of these signed contribution agreements totaled USD9.9bn.

Figure 8. Signed contribution agreements by pledge amount as of 5 September 2016 (millions of dollars)³¹



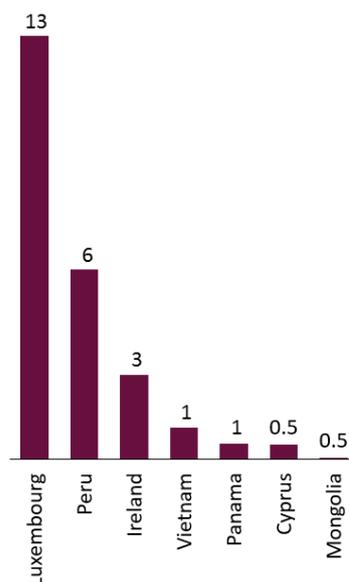
³⁰ This chart shows an aggregate value across multiple contribution agreements by country.

³¹ For France and Canada, the figures in this graph show an aggregate value across three separate contribution agreements on a loan, a grant and a cushion, respectively. For Belgium (Wallonia) the figure shows an aggregate value across two contribution agreements. The figures in this graph were calculated on basis of reference exchange rates established for GCF's High-Level Pledging Conference.

II.2 Number of contribution agreements drafted

In addition to the contribution agreements already signed (shown in the figure above), six additional contribution agreements have been drafted but not signed as of 5 September 2016. These contribution agreement drafts are with Ireland, Luxembourg, Mongolia, Panama, Peru, and Vietnam, and total USD24 million.³²

Figure 9. Drafted (but not signed) contribution agreements by pledge amount as of 5 September 2016 (millions of dollars)



II.3 Timeliness of requests sent to contributors regarding payments of cash and deposits of promissory notes according to the signed contribution agreements

Interviewees indicated a high level of satisfaction with the timeliness of the requests sent and additional support provided by the Interim Trustee in cases of special inquiries. One contributor, for instance, asked the Interim Trustee for an earlier payment request for their first contribution payment as the contributor wanted to expedite their contribution process. The Interim Trustee was very accommodating in this regard and answered the inquiry within one to two business days. Another contributor explained that they need payment requests from the Interim Trustee in order to release their payments, and that this was captured in the contribution agreements. The contributor was very satisfied with the services provided by the Interim Trustee and reported that the Interim Trustee respected their requirements and complied with the set deadlines.

II.4 Qualitative assessment of the quality and timeliness of responses to inquiries from the Secretariat and contributors

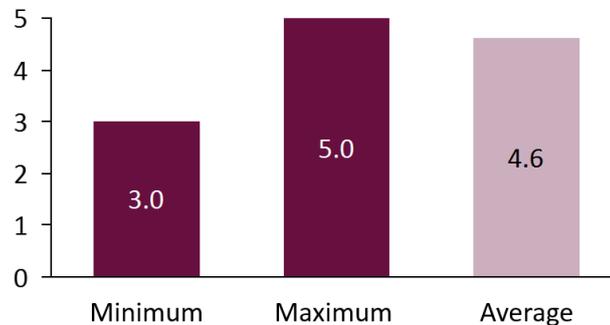
The Board Members interviewed by Dalberg expressed a positive view of the Interim Trustee's high quality and timeliness of responses to any inquiries. One Board Member, for example, shared that the Interim Trustee was able to guide queries and answer properly based on their experience with other funds in the past. In addition, several Board Members emphasized the quality, efficiency and responsiveness of the Interim Trustee.

Members of the GCF Secretariat shared that the Interim Trustee was able to provide high quality and timely responses to any inquiries, while some also noted opportunities for increased

³² This figure excludes the amount of pledges from countries (Finland, Iceland, and Italy) who have signed agreements but have remaining contributions that have not been processed, and Cyprus, with which there has been no contact yet.

engagement from the Interim Trustee’s side. One interviewee stated that the Interim Trustee usually responds to questions and inquiries of the Secretariat within one to two business days.

Figure 10. Rating of quality and timeliness of responses to inquiries from contributors (n=11, rated from 1 to 5, with 5 being high quality and timely responses)



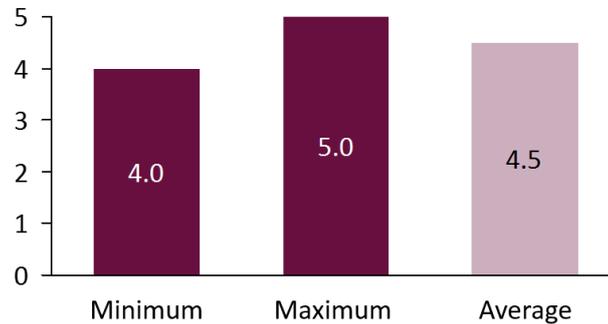
II.5 Qualitative assessment of the Interim Trustee’s interventions at joint meetings and conferences (between the GCF and contributors)

Similar to the findings under section II.5, the contributors had a positive view on the Interim Trustee’s interventions at joint meetings and conferences between the GCF and themselves, and cited the expertise and experience of the Interim Trustee as a key reason behind this view. For example, one contributor stated that the Interim Trustee’s interventions are very much valued, and that this is driven by the Interim Trustee’s ability to be responsive to idiosyncrasies of different contributors, who have different legal requirements, contribution channels, and various stipulations. The interviewee also stated that the current Interim Trustee has a deep understanding of the institutional and legal particularities of each contributor. This sentiment was echoed by other contributors. Another contributor added that the Interim Trustee fulfilled its responsibilities quietly and competently.

Members of the GCF Secretariat also positively assessed the quality of the Interim Trustee’s interventions, and expressed their appreciation for the Interim Trustee’s capability and experience. An interviewee from the Secretariat stated that the Interim Trustee is highly capable and can draw from its knowledge and experience managing other funds when serving as the GCF’s Interim Trustee. This was particularly useful in meetings and conferences with contributors, when the Interim Trustee acted as a backstop when negotiations became difficult.

These comments were also echoed by Board members and the Secretariat’s comments on the Interim Trustee’s role during the Initial Resource Mobilization process. In particular, interviewees stated that the Interim Trustee played an essential role in supporting GCF develop its contribution agreement templates, providing advice to GCF during its negotiations with contributors, and following up with contributors after commitments had been made. One interview pointed out that the support of the Interim Trustee (in addition to other crucial factors, such as strong international support from political leaders) was key to a successful pledging conference GCF held in November 2014.

Figure 11. Rating of quality of the Interim Trustee’s intervention during meetings and conferences between the Secretariat and contributors (n=11, rated from 1 to 5, with 5 being high quality intervention)



II.6 Qualitative assessment of contributors’ and the Secretariat’s interactions with the Interim Trustee legal staff regarding contribution agreements and arrangements

Both contributors and GCF Secretariat staff interviewed by Dalberg showed strong appreciation of the quality of interactions with the Interim Trustee in regards to contribution agreements and arrangements. Several interviewees referred to high flexibility the Interim Trustee showed in the interaction with both contributors and the Secretariat. One contributor, for example, expressed appreciation for the Interim Trustee’s patience and reactivity in finalizing and executing the agreement within a short time frame, adding that this is extremely important, particularly in regards to the growing number of contributors in the future. Another contributor echoed this sentiment and emphasized that the Interim Trustee showed flexibility in addressing questions and concerns, despite having requests from multiple countries simultaneously.

The Secretariat expressed appreciation for the help that they received from the Interim Trustee in areas where the GCF had no experience. For example, an interviewee stated that the Interim Trustee made an extra effort to draft a template, when GCF was negotiating two loan agreements and did not have the time nor the capacity to do so.

At the same time, the GCF Secretariat has seen opportunities for the Interim Trustee to provide additional value with their experience and expertise that were not acted on, or only acted on when directly asked. One interviewee mentioned, for example, that the Interim Trustee could have been more proactive about sharing their expertise to advise GCF based on their experience working with many other trust funds. This interviewee also stated that they see a potential for the Interim Trustee to provide more technical assistance to GCF regarding contribution agreements.

III. CASH TRANSFERS

III.1 Number and amount of cash transfers made in accordance with Board decisions

As of mid-September 2016, the Interim Trustee had made cash transfers to the Secretariat for Readiness grants (12 grants totalling approximately \$1m), which were disbursed by the Secretariat to grantees, for GCF's administrative costs, and to an accredited entity for one project.

III.2 Average time between request for cash transfers issued and funds received

Interviewees from the GCF Secretariat stated that all funds were received between three to four working days within putting in a request using the standard cash transfer form. Interviewees stated that the process is very simple, and that this turnaround time is sufficiently fast for GCF.

III.3 Number of technical issues receiving or transferring money caused by technical and human issues by the Interim Trustee

Interviewees from the GCF Secretariat stated that to date, there have been no technical issues related to receiving payments for Readiness program or administrative costs caused by technical or human issues by the Interim Trustee.

However, GCF has recently faced challenges in making its first cash transfer to one of its projects approved by the Board. When GCF requested that the Interim Trustee transfer funds to the executing entity directly, as moving the funds through the project's accredited entity posed legal and compliance complications for the accredited entity, the Interim Trustee indicated that it is not in a position to make transfers to any entity other than the GCF (Secretariat) and accredited entities. The rationale for this position remains unclear and the Secretariat had meant to rely on the Interim Trustee to make the cash transfer under the terms of the agreement.

A number of funding proposals in GCF's pipeline provides for a similar structure with the need make cash transfers directly to the relevant executing entities. The current contract between the Interim Trustee and GCF does not specify different procedures for different recipient entities (e.g., accredited entities, executing entities).

IV. FINANCIAL REPORTING TO THE BOARD AND THE SECRETARIAT

IV.1 Number of quarterly, annual, and other reports provided

The Amended and Restated Agreement on Terms and Conditions for the Administration of the GCF Trust Fund³³ states three types of financial reports are to be provided by the Interim Trustee. The first is quarterly financial reports, the second is an annual single audit report, and the third is financial statement audits requested on an exceptional basis by a contributor or the GCF.

As of September 2016, the Interim Trustee had provided the GCF with 16 quarterly financial reports (with the first report covering the period up to 30 June 2012). Each quarterly financial report provides a GCF Trust Fund Summary (from inception through the date of the report), a summary on contributions, funding availability, and commentary on the portfolio's asset mix and investment income.

The Interim Trustee has also published four annual audit reports (2012, 2013, 2014 and 2015) since the inception of GCF. These audit reports have two sections: (a) a management assertion together with an attestation from the Interim Trustee's external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds (including the GCF) as a whole, and (b) a combined financial statement for all cash-based trust funds together.³⁴ These reports are all publicly available on the Interim Trustee's website.

There have been no financial statement audits requested on an exceptional basis.

IV.2 Number of quarterly, annual, and other reports provided on time

The annual single audit reports are to be provided within six months following the end of the Interim Trustee's fiscal year (1 July-30 June). An interviewee from the GCF Secretariat stated that these reports have always been provided on time. This was confirmed by the Interim Trustee. Currently, there is no timeline for the Interim Trustee to provide quarterly reports to GCF.

IV.3 Number of reports that were deemed by the Secretariat as needing revision due to inaccuracies

The GCF Secretariat stated that there were no reports that were deemed as needing revision, due to inaccuracies in content. This view was also expressed by the Board. No Board members interviewed were aware of any instances where there had been any need for revisions to the financial reports. It was also confirmed by the Interim Trustee that no reports required revision.

IV.4 Qualitative assessment of the usefulness and completeness of report content

The interviews conducted with board members and the GCF Secretariat showed a positive view of both usefulness and completeness of the report content provided by the Interim Trustee. One interviewee from the GCF Secretariat described the current reporting responsibilities of the Interim Trustee as simple and expressed satisfaction with reports provided. This was echoed by several board members, who added that those reports were complete, accurate and useful to understand the financial status of the GCF. All interviewees who provided ratings for this indicator gave the Interim Trustee a 5 (from a rating of 1 to 5, with 5 being extremely useful and complete).

Some interviewees, however, mentioned that the Interim Trustee could increase the frequency of reports and provide more detail. One interviewee from the Secretariat, for example, expressed the

³³ Amended and Restated Agreement on Terms and Conditions for the Administration of the GCF Trust Fund: http://www.greenclimate.fund/documents/20182/24868/Trust_Fund_Agreement_between_GCF_and_IBRD__Amended_.pdf/7ca07ac8-7a83-4f18-847e-e260b32b3e9a?version=1.0

³⁴ Amended and Restated Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund, 22 April 2015, p.4-5

desire for a higher frequency of reporting (e.g., monthly) as the GCF is not informed about incoming contributions until the Interim Trustee reports on it. Another interviewee agreed with this suggestion, and also added that it would be useful for the Interim Trustee to provide GCF's financial data online. In addition, both interviewees added that the Interim Trustee could provide more detailed data breakdowns in their reports. Expenses and losses were mentioned as two examples where this would be particularly useful, although the Interim Trustee stated that there have been no losses to report on to date.

IV.5 Qualitative assessment of responsiveness to requests from the Board or the Secretariat regarding financial reports

The Interim Trustee stated that during its work with the Interim Secretariat of the GCF, there was an initial discussion regarding the format reporting contributions in the financial report. The Interim Trustee explained that the co-chairs wanted the Interim Trustee to change parts of the report to reflect contributors' full amount in the reporting. However, the Interim Trustee stated that this was difficult due to their accounting constraint, which stems from the fact that the Interim Trustee's mandate ends on 30 April 2018. The Interim Trustee added that the different stakeholders expressed their understanding once the questions were clarified. Our interviewees were not aware of any instances where the GCF Board or the Secretariat made specific requests for changes regarding the Interim Trustee's financial reports.

V. OVERALL RELATIONSHIP WITH THE BOARD AND THE SECRETARIAT

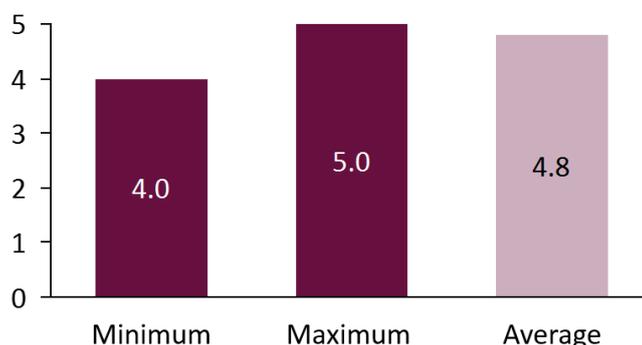
The review of the overall relationship of the Interim Trustee with the Board and the Secretariat was based on a qualitative assessment of the interactions between GCF Board members and the Secretariat (both current and Interim) with the Interim Trustee. The Board expressed unanimous satisfaction with its relationship to the Interim Trustee. Overall, the Secretariat also showed a positive view of the level of participation in Board meetings, experience and knowledge of the Interim Trustee. In addition, the Secretariat stated that the Interim Trustee was available for providing help and advice for ad-hoc questions when needed. However, some interviewees also saw some areas of improvement within the current scope of responsibilities of the Interim Trustee.

Section I.5 noted how some interviewees perceive that the lack of consensus about the role of Interim Trustee could have affected the Interim Trustee’s willingness to provide advice on an investment strategy. Some of our interviewees believed that this might have affected other dimensions of the Interim Trustee’s role as well. For example, one board member stated that the lack of consensus on the role also resulted in an unclear division in roles between the Secretariat and the Interim Trustee in resource mobilization. The board member explained that the GCF Secretariat was entrusted with the resource mobilization process, as some Board members wanted to minimize the role of the Interim Trustee. This challenge was also acknowledged by the Interim Trustee, who added that the situation described has presented a challenge to both GCF and the Interim Trustee.

V.1 Qualitative assessment of Board members’ and the Secretariat’s interactions with the Interim Trustee and their interventions

The qualitative assessment of the interaction of Board members and the Secretariat with the Interim Trustee and their interventions had five components: Participation rate of the Interim Trustee at GCF Board meetings, Interim Trustee’s availability for ad-hoc questions, representation at the appropriate level, scope for improvement in customer service (within the scope of current ToR), and additional services the Interim Trustee could provide outside of the current scope of their ToR.

Figure 12. Rating of qualitative assessment of Board members’ and the Secretariat’s interactions with the Interim Trustee and their interventions (n=12, rated from 1 to 5, with 5 being high quality interaction)



A. Participation rate of the Interim Trustee in GCF Board meetings

The GCF has had 13 Board meetings so far, with the latest meeting taking place in June 2016. The Interim Trustee has been present at 100% of these meetings.³⁵

Although the interviewees expressed an overall positive view on the Interim Trustee's role during GCF Board meetings, several also expressed a desire for the Interim Trustee to participate more proactively during Board meetings. One Board member, for example, suggested that the Interim Trustee consider a more strategic engagement with the GCF Board by, for example, providing proactive reporting on the Interim Trustee's activities in the past quarter during Board meetings.

B. Availability for ad-hoc questions

Overall the interviews showed a high level of satisfaction with the Interim Trustee's availability to answer ad-hoc questions. An interviewee from the Secretariat highlighted the Interim Trustee's flexibility and helpfulness in answering questions. Several board members confirmed this sentiment and added that the Interim Trustee made itself available for questions from board members at the Board meetings and between the meetings.

C. Representation at the appropriate level and necessary level of expertise

The interviewees from the Secretariat and the Board all agreed that the Interim Trustee was represented at the appropriate level at official GCF meetings, and expressed confidence in the Interim Trustee's high level of expertise. They pointed out that the Interim Trustee's extensive experience managing other Trust Funds, in particular, allowed them to provide high quality financial and legal input.

Several board members share this experience. One interviewee stated that the Interim Trustee was represented very competently at all Board meetings the interviewee attended, and was available to answer queries from other Board members.

D. Scope for improvement in customer service (within the current ToR)

The interviewees expressed their satisfaction with the Interim Trustee's customer service within the scope of the current agreement. A Board member, for example, commented that the Interim Trustee is doing excellent work within the limited scope of their job. A board member added that there is not much they can think of that the Interim Trustee can do to improve its customer service within the existing service scope.

The suggestions that were put forward by interviewees on how they would like to see the Interim Trustee's customer service improve were related to financial reporting. The current agreement between the Interim Trustee and GCF states that the Interim Trustee will provide financial reports to the Board on a quarterly basis, "or at any other frequency agreed between the Board and the Trustee."³⁶ This is discussed in more detail in section IV.4.

E. Additional services the Interim Trustee could provide (outside the current ToR)

The board members and members of the Secretariat interviewed had several suggestions in regards to additional services outside of the current scope of agreement that could be useful for the Interim Trustee to provide.

One group of suggestions was related to advice on investment strategy. An interviewee from the Secretariat, for instance, stated that it would be helpful to receive more advice on allocation of

³⁵ The Interim Trustee was present with two representatives at every Board meeting, apart from the Board meeting in June 2016, where only one representative (Senior Financial Officer) was present.

³⁶ Amended and Restated Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund, 22 April 2015, p.4-5

cash deposited with the Interim Trustee in order to increase yields. In addition, it was noted that the Board had held some ongoing discussions with the Interim Trustee in regards to receiving strategic advice on allocation of cash and hedging against foreign exchange issues. This was also confirmed by a board member, who added that these topics were raised in Board discussions regarding potential future roles of a trustee. However, the Interim Trustee commented that hedging is generally not a service that the Interim Trustee provides, and that there would need to be a separate approval from their Board.

Another board member mentioned that it would be useful for the Interim Trustee to provide advice on what level of liquidity GCF should maintain. However, he added that this could also be excluded from the ToR of a permanent trustee as the GCF Secretariat is effectively doing this already itself. Furthermore, it was suggested that the Interim Trustee could be more proactive in offering customized solutions and advice regarding GCF's disbursements to different accredited entities.

Another group of suggestions related to the replenishment process. One board member, for example, emphasized the Interim Trustee's expertise in replenishment support, and that it would be beneficial to have the Interim Trustee on board for this process. In order to benefit from this, he also suggested to include expertise in this area as criterion in the future tender process for the permanent trustee. The same interviewee, however, also added that the Board lacks clarity in this regard and has not yet decided on the issue.

V.2 Qualitative assessment of GCF Interim Secretariat's interactions with the Interim Trustee prior to the establishment of GCF

The interviewee from the GCF Interim Secretariat expressed very high satisfaction with the Interim Trustee's services. The services the Interim Trustee was entrusted with when interacting with the Interim Secretariat did not differ significantly to the responsibilities the Interim Trustee continued to provide after the establishment of the GCF Secretariat. In addition to the roles it plays today, the Interim Trustee also supported the GCF by negotiating pledges and contributions in the pre-IRM process period. In its activities, the Interim Trustee was seen as an experienced and professional partner, who met all expectations and showed strong willingness to support the GCF Interim Secretariat. It was also emphasized that the expertise and experience of the Interim Trustee was highly valuable in the negotiations with contributors.

5. CONCLUSIONS

The GCF is satisfied with the Interim Trustee's performance across all of its four key roles: investment management, contribution management, cash transfers, and financial reporting. The Interim Trustee invests GCF's funds with the primary objective of capital preservation (in the absence of GCF's formal investment policy), which has been performing better than its internal benchmarks. The Interim Trustee is also a valuable partner to GCF in managing contributions and supporting resource mobilization, as it brings extensive experience interacting with contributors and managing contributions for other trust funds. Lastly, the Interim Trustee makes timely transfers of cash, and provides accurate and useful financial reports.

The Interim Trustee has been fulfilling its role as specified in its agreement with GCF, however, GCF has recently faced challenges in making its first cash transfer to one of its projects approved by the Board. When GCF requested that the Interim Trustee transfer funds to the executing entity directly, as moving the funds through the project's accredited entity posed legal and compliance complications for the accredited entity, the Interim Trustee indicated that it is not in a position to make transfers to any entity other than the GCF (Secretariat) and accredited entities. The rationale for this position remains unclear and the Secretariat had meant to rely on the Interim Trustee to make the cash transfer under the terms of the agreement.

This challenge needs to be addressed as there are a number of funding proposals in GCF's pipeline provides for a structure with the need make cash transfers directly to the executing entities that are not accredited. The current agreement between the Interim Trustee and GCF does not specify different procedures for different recipient entities (e.g., accredited entities, executing entities).

Our findings also revealed that GCF has some emerging needs, and that in certain areas GCF may benefit from exploring options that will change the needs for trustee services. GCF has the option of leveraging its internal capabilities and gradually assuming more responsibilities over time, if and when it chooses to do so. The two areas particularly likely to benefit from more flexibility in the future are investment management and cash transfers. This is due to GCF's emerging needs around investment priorities (e.g., de-carbonizing GCF's investment income) and more flexible cash transfer arrangements (e.g., making payments to executing entities that have not been accredited by GCF). A second document, "Considerations for the Process to Identify a Permanent Trustee", outlines the rationale for this in further detail, and how this could inform GCF's approach to selecting a permanent trustee for after April 2018.

ANNEX A: DOCUMENTS INCLUDED IN THE REVIEW

No.	Document title
1	Adaptation Fund Board and Secretariat, and Trustee Administrative Budget (FY2015 and FY2016)
2	Adaptation Fund Quarterly Financial Report – Prepared by the Interim Trustee (March 2014 – December 2015)
3	Administrative Budget for the Least Developed Countries Fund and the Special Climate Change Fund (FY2015 and FY2016)
4	Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund between the Green Climate Fund and the International Bank for Reconstruction and Development, serving as the Interim Trustee of the Green Climate Fund Trust Fund (original)
5	Amended and Restated Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund between the Green Climate Fund and the International Bank for Reconstruction and Development, serving as the Interim Trustee of the Green Climate Fund Trust Fund
6	Clean Technology Fund Quarterly Financial Report – Prepared by the Interim Trustee (March 2014 – December 2015)
7	Climate Investment Funds Business Plan and Budget (FY2015 and FY2016)
8	Email exchange containing the Interim Trustee Administrative Budget 1 November 2012 – 31 December 2013
9	Email exchanges concerning support of the World Bank to the first pledging conference (with attachment outlining the “GCF IRM Pledging Process Activities”)
10	GCF/B.01-12/07 Arrangement for the Interim Trustee
11	GCF/B.01-12/08/Rev.02 doc Revised administrative budget of the Interim Secretariat and the Interim Trustee (for the period up to 31 October 2012)
12	GCF/B.02-12/05/Rev.01 Interim Trustee Arrangement for the Green Climate Fund
13	GCF/B.02-12/06/Rev.01 Administrative Budget of the Green Climate Fund (for the period from 1 November 2012 to 31 December 2013)
14	GCF/B.04/Inf.03 Status of Resources
15	GCF/B.05/22 Agreements with the Interim Trustee
16	GCF/B.05/24/Rev.01 Report of the Fifth Meeting of the Board, 08-10 October 2013
17	GCF/B0.6/Inf.03 Status of Resources
18	GCF/B.07/11 Decisions of the Board – Seventh Meeting of the Board, 18-21 May 2014
19	GCF/B.07/Inf.03 Report on the Administrative Budget of the Fund for 1 January to 31 March 2014
20	GCF/B.08/24 Administrative Budget of the Fund for 2015
	GCF/B.08/33 Trustee Arrangements, including the Review of the Interim Trustee and the Initiation of a Process to Select the Trustee of the Fund
21	GCF/B.08/33/Add.1 Trustee Arrangements, including the Review of the Interim Trustee and the Initiation of a Process to Select the Trustee of the Fund
22	GCF/B.08/45 Decisions of the Board – Eighth Meeting of the Board, 14-17 October 2014
23	GCF/B.11/12 Administrative budget of the Green Climate Fund for 2016-2018
24	Decision B.11/08 Administrative budget of the Green Climate Fund for 2016-2018
25	GCF/B.11/22 Trustee arrangements, including the review of the Interim Trustee and the initiation of a process to select the Trustee of the Green Climate Fund
26	GCF/B.12/15 Revised administrative budget and staffing of the Secretariat for 2016
27	GCF/B.12/18 Trustee arrangements, including the Review of the Interim Trustee and the initiation of a process to select the Trustee of the Green Climate Fund

28	GCF/B.12/32 Decisions of the Board – Twelfth Meeting of the Board, 8-10 March 2016
29	GCF/B.13/Inf.06 Status of Initial Resource Mobilization process
30	GCF/B.13/Inf.08 Report on the execution of the 2016 administrative budget of the Green Climate Fund at 30 April 2016
31	GCF/BM-2015/Inf.02 Status of Resources and Execution of the Administrative Budget for 1 January to 31 December 2014
32	Global Fund 2015 Annual Financial Report
33	Green Climate Fund Trust Fund Quarterly Financial Report – Prepared by the Interim Trustee (June 2012 – June 2016)
34	IBRD / UNFCCC Transfer Agreement under the Green Climate Fund Trust Fund
35	Internal Discussion Draft: “Green Climate Fund Resource Mobilization – Potential Areas of Support from World Bank as Interim Trustee”
36	Letter of Transfer Procedures between World Bank and Green Climate Fund
37	Management Framework for World Bank Partnership Programs and Financial Intermediary Funds
38	World Bank Green Climate Fund Contribution Agreements Tracker (including steps and time involved)
39	World Bank Green Climate Fund Contribution Processing (including indicative timeline)
41	World Bank Group Brochure Investment Management of Trust Funds and Financial Intermediary Funds
42	Special Climate Change Fund Quarterly Financial Report – Prepared by the Interim Trustee (March 2014 – December 2015)
43	Status of Pledges
44	Strategic Climate Fund Quarterly Financial Report – Prepared by the Interim Trustee (March 2014 – December 2015)
45	Total Cash Receipts up to 31/12/2014 including data on contribution agreements before the Initial Resource Mobilization Process
46	World Bank Group Brochure Financial Intermediary Funds in the World Bank Group
47	World Bank Group Summary of Trust Fund Model Portfolios
48	World Bank Group Supplement Model Portfolio Specific Information of Trust Funds
49	World Bank Trust Fund Annual Reports (2010 – 2013)

ANNEX B: LIST OF INTERVIEWEES

	Country / Position	Status
Board member	Canada	Interview conducted on September 15 th
	Egypt	Interview conducted on August 19 th
	France	Interview conducted on August 25 th
	Germany	Interview conducted on August 17 th and on September 7 th
	Japan	Answered interview questionnaires received on September 2 nd
	Luxembourg	Interview conducted on August 25 th
	Mexico	Interview conducted on September 13 th
	Norway	Interview conducted on August 23 rd
	Sweden	Interview conducted on August 23 rd
	Switzerland	Interview conducted on August 24 th
	United Kingdom	Interview conducted on August 18 th
United States of America	Interview conducted on August 18 th	
GCF Secretariat	Executive Director (Ad Interim)	Interview conducted on September 6 th
	General Counsel	Interview conducted on September 8 th
	Associate at Office of the General Counsel	Interview conducted on August 15 th
	Senior Resource Mobilization Specialist	Interview conducted on August 16 th
	Head of Administrative Operations	Interview conducted on August 16 th
	Country Operational Dialogue Manager	Interview conducted on September 8 th
	Financial Management Specialist	Interview conducted on September 6 th
	Member of GCF Interim Secretariat	Interview conducted on September 9 th
Interim Trustee	Senior Financial Officer and other staff members	Interviews conducted on August 18 th , August 22 nd and August 25 th
Other/External	Relationship Manager, Crown Agents Bank	Interview conducted on September 5 th
	Former Facilitator of the IRM Process	Interview conducted on September 7 th
	Staff member of Treasury Department, The Global Fund	Interview conducted on September 9 th
	Senior Portfolio Manager, UNOPS	Interview conducted on August 25 th
	Deputy Executive Coordinator, UNDP Multi-Partner Trust Fund Office	Interview conducted on September 9 th

ANNEX C: INTERVIEW GUIDE

Topic	Indicator	Data as a source?	Interview as a source?	Questions for GCF Board / Contributors	Questions for GCF legal team	Questions for GCF resource mobilization team	Questions for GCF financial management team	Questions for Interim Trustee	Questions for other users of Interim Trustee services
Management of investment and costs	Returns in the last two year period	X							
Management of investment and costs	Returns of the World Bank Trust Funds portfolio of investments in the last 10 year period	X							
Management of investment and costs	Returns of the World Bank Trust Funds portfolio of investments in the last 5 year period	X							
Management of investment and costs	Returns of the World Bank Trust Funds portfolio of investments in the last 1 year period	X						1) [To ask only if information is not already available through documents] What benchmarks are used by the fund manager? 2) How has GCF Trust Fund investment portfolio performed with respect to this benchmark since GCF's inception, and in the last 2 year period, and 1 year period?	
Management of investment and costs	Returns compared to the benchmarks used (by the Interim Trustee)	X	X					1) How does GCF's Trust Fund returns compare to that of equivalent funds' in	1) How does GCF's Trust Fund returns compare to that of

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Topic	Indicator	Data as a source?	Interview as a source?	Questions for GCF Board / Contributors	Questions for GCF legal team	Questions for GCF resource mobilization team	Questions for GCF financial management team	Questions for Interim Trustee	Questions for other users of Interim Trustee services
								other relevant organizations?	equivalent funds' in your organization?
Management of investment and costs	Returns in equivalent trust funds' investment portfolios in other relevant organizations with similar objectives, disbursement profiles and risk tolerances	X	X	1) How do the Interim Trustee's investments (for GCF Trust Fund) compare in its asset mix to GCF's expectations?				1) How do your investments (for GCF Trust Fund) compare in its asset mix to GCF's expectations?	
Management of investment and costs	Qualitative assessment of the Interim Trustee investments compared to GCF expectations	X	X	1) How do the Interim Trustee's investments (for GCF Trust Fund) compare GCF's expectations, particularly around asset mix?					
Management of investment and costs	Evolution of costs as a % of assets under management, comparisons to other similar Trustees	X	X				1) How do the Interim Trustee's costs (as % of assets under management) compare to other similar Trustee services?		
Management of investment and costs	Interim Trustee's actual costs and expenses against budget	X	X				1) [To ask only if there was a significant difference between actual vs. budget costs and expenses] Why was there this difference?	1) [To ask only if there was a significant difference between actual vs. budget costs and expenses] Why was there this difference?	

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Topic	Indicator	Data as a source?	Interview as a source?	Questions for GCF Board / Contributors	Questions for GCF legal team	Questions for GCF resource mobilization team	Questions for GCF financial management team	Questions for Interim Trustee	Questions for other users of Interim Trustee services
Contribution management	# of contribution agreements signed (in Phase 1 and Phase 2)	X							
Contribution management	# of contribution agreements drafted (in Phase 1 and Phase 2)	X							
Contribution management	Timeliness of requests sent to contributors regarding payments of cash and deposits of promissory notes according to the signed contribution agreements	X	X	1) Did the Interim Trustee send a timely request to you regarding payments of cash and deposits of promissory notes according to the signed contribution agreements?				1) Did you send timely requests to the contributor regarding payments of cash and deposits of promissory notes according to the signed contribution agreements?	
Contribution management	Qualitative assessment of the quality and timeliness of responses to inquiries from the Secretariat and contributors (answers can be ranked between 1-5)		X	1) How would you describe the quality and timeliness of responses from the Interim Trustee in response to inquiries from you (as a contributor)?	1) How would you describe the quality and timeliness of responses from the Interim Trustee in response to inquiries from your team?	1) How would you describe the quality and timeliness of responses from the Interim Trustee in response to inquiries from your team?	1) How would you describe the quality and timeliness of responses from the Interim Trustee in response to inquiries from your team?	1) How do you think you responded to inquiries from GCF's secretariat and contributors (in terms of quality and timeliness)?	1) In general, how would you describe the quality and timeliness of responses from the Interim Trustee in response to inquiries from your organization?
Contribution management	Qualitative assessment of Interim Trustee interventions at joint meetings and conferences (answers can be ranked between 1-5)		X	1) How would you describe the quality of the Interim Trustee's intervention during meetings and conferences between the Secretariat and		1) How would you describe the quality of the Interim Trustee's intervention during meetings and conferences between the Secretariat and	1) How would you describe the quality of the Interim Trustee's intervention during meetings and conferences between the Secretariat and	1) How do you think you contributed to the Interim Trustee interventions at joint meetings and conferences? 2) How do you think you could have improved your	

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Topic	Indicator	Data as a source?	Interview as a source?	Questions for GCF Board / Contributors	Questions for GCF legal team	Questions for GCF resource mobilization team	Questions for GCF financial management team	Questions for Interim Trustee	Questions for other users of Interim Trustee services
				contributors? 2) How could it have been improved?		contributors? 2) How could it have been improved?	contributors? 2) How could it have been improved?	services within the current service scope of your contract with GCF? 3) What additional services (outside of the current service scope) do you think you could have provided to ensure a higher quality of intervention?	
Contribution management	Qualitative assessment of the contributors and the Secretariat's interaction with the Interim Trustee legal staff regarding contribution agreements and arrangements (answer can be ranked between 1-5)		X	1) Were your (as contributors) questions and concerns addressed by the Interim Trustee in a timely and effective manner during the process of finalizing contribution agreements / arrangements? 2) How can the Interim Trustee offer you better support in finalizing contribution agreements / arrangements, if at all?	1) Is the legal staff of the Interim Trustee timely and effectively supporting the preparation of contribution agreements / arrangements jointly with the Secretariat? 2) How can this be improved, if at all?				
Cash transfers	# and amount of cash transfers made in accordance with Board decisions	X	X				1) How many cash transfers have been completed annually by the Interim Trustee to each one of the recipients of funds (implementing entities, the UNFCCC	1) How many cash transfers have been completed annually by the Interim Trustee to each one of the recipients of funds (implementing entities, the UNFCCC	

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Topic	Indicator	Data as a source?	Interview as a source?	Questions for GCF Board / Contributors	Questions for GCF legal team	Questions for GCF resource mobilization team	Questions for GCF financial management team	Questions for Interim Trustee	Questions for other users of Interim Trustee services
							secretariat, the Global Environment Facility secretariat, the GCF Secretariat and the World Bank as an Interim Trustee)?	secretariat, the Global Environment Facility secretariat, the GCF Secretariat and the World Bank as an Interim Trustee)?	
Cash transfers	Average time between request for cash transfers issued and funds received	X	X				1) Have cash transfers completed by the Interim Trustee (in accordance with Board decisions) been timely?	1) Have cash transfers completed by the Interim Trustee (in accordance with Board decisions) been timely?	
Cash transfers	# of technical issues receiving or transferring money caused by technical and human issues by the Interim Trustee	X	X				1) Have cash transfers completed by the Interim Trustee (in accordance with Board decisions) been accurate?	1) Have cash transfers completed (in accordance with Board decisions) been accurate?	
Financial reporting to the Board and the Secretariat	# of quarterly, annual and other reports provided	X							
Financial reporting to the Board and the Secretariat	# of quarterly, annual and other reports provided on time (in accordance with agreed timelines)	X	X	1) Were the financial reports from the Interim Trustee provided on time? If not, why not? 2) What about annual audit reports? Were they provided on time? If not, why not?		1) Were the financial reports from the Interim Trustee provided on time? If not, why not? 2) What about annual audit reports? Were they provided on time? If not, why not?	1) Were the financial reports from the Interim Trustee provided on time? If not, why not? 2) What about annual audit reports? Were they provided on time? If not, why not?	1) Did you provide financial reports to GCF Board and Secretariat on time? If not, why not? 2) What about audit reports?	

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Topic	Indicator	Data as a source?	Interview as a source?	Questions for GCF Board / Contributors	Questions for GCF legal team	Questions for GCF resource mobilization team	Questions for GCF financial management team	Questions for Interim Trustee	Questions for other users of Interim Trustee services
Financial reporting to the Board and the Secretariat	# of reports that were deemed by the Secretariat as needing revision due to inaccuracies	X	X	1) How accurate were the contents of the Interim Trustee's financial and audit reports? 2) How many reports were deemed as needing revision due to inaccuracies, if any? 3) What are some examples of areas that needed revising, due to inaccuracies, if any?		1) How accurate were the contents of the Interim Trustee's financial and audit reports? 2) How many reports were deemed as needing revision due to inaccuracies, if any? 3) What are some examples of areas that needed revising, due to inaccuracies, if any?	1) How accurate were the contents of the Interim Trustee's financial and audit reports? 2) How many reports were deemed as needing revision due to inaccuracies, if any? 3) What are some examples of areas that needed revising, due to inaccuracies, if any?	1) How accurate were the contents of your financial and audit reports? Were there any revisions requested by GCF Secretariat / the Board? 2) What are some examples of revisions requested, if any?	1) In general, how accurate do you find the contents of the Interim Trustee's financial and audit reports to be?
Financial reporting to the Board and the Secretariat	Qualitative assessment of the usefulness and completeness of report content (answers can be ranked between 1-5)		X	1) How useful did you find the content of the Interim Trustee's financial and audit reports? 2) What could have been added to make it more useful / complete?		1) How useful did you find the content of the Interim Trustee's financial and audit reports? 2) What could have been added to make it more useful / complete?	1) How useful did you find the content of the Interim Trustee's financial and audit reports? 2) What could have been added to make it more useful / complete?		1) In general, how useful did you find the content of the Interim Trustee's financial (and any other) reports? 2) What could have been added to make it more useful / complete?
Financial reporting to the Board and the Secretariat	Qualitative assessment of responsiveness to requests from the Board or the Secretariat, in accordance with procedures agreed between the GCF and the Interim Trustee (answers can be ranked between 1-5)		X	1) What are some examples of requests for changes that were made to the Interim Trustee regarding their financial and audit reports, if any? 2) How timely and effective was the Interim Trustee in responding to requests for changes (including changes			1) What are some examples of requests for changes that were made to the Interim Trustee regarding their financial and audit reports, if any? 2) How timely and effective was the Interim Trustee in responding to requests for changes (including changes		1) In general, do you find the Interim Trustee to be responsive to requests for changes in financial and audit reports, if any?

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Topic	Indicator	Data as a source?	Interview as a source?	Questions for GCF Board / Contributors	Questions for GCF legal team	Questions for GCF resource mobilization team	Questions for GCF financial management team	Questions for Interim Trustee	Questions for other users of Interim Trustee services
				pertaining to report format)?			pertaining to report format)?		
Overall relationship with the Board and Secretariat	Qualitative assessment of Board members and the Secretariat's interactions with the Interim Trustee and their interventions (answers can be ranked between 1-5)		X	1) Are Interim Trustee staff readily available for ad-hoc questions between Board meetings? 2) Do you feel that the Interim Trustee is represented at Board meetings at the appropriate level, and with staff with the necessary level of expertise? 3) Can the Interim Trustee improve its 'customer service' within the existing service scope in its contract with GCF? If so, how? 4) Are there any additional services you feel that the Interim Trustee should provide to GCF (outside of the existing service scope)? 5) Does your country have any restrictions that would prevent contributing funds to GCF via an alternative trustee (e.g., commercial banks)?		1) Can the Interim Trustee improve its 'customer service'? If so, how?	1) Can the Interim Trustee improve its 'customer service'? If so, how?		1) Can the Interim Trustee improve its 'customer service'? If so, how?

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Topic	Indicator	Data as a source?	Interview as a source?	Questions for GCF Board / Contributors	Questions for GCF legal team	Questions for GCF resource mobilization team	Questions for GCF financial management team	Questions for Interim Trustee	Questions for other users of Interim Trustee services
Overall relationship with the Board and Secretariat	% participation rate of the Interim Trustee in GCF Board meetings	X	X	What was the % participation rate of the Interim Trustee in GCF Board meetings?				What was your % participation rate in GCF Board meetings?	
Overall relationship with the Board and Secretariat	Qualitative assessment of GCF Interim Secretariat's interactions with the Interim Trustee prior to the establishment of GCF		X	How would you describe the GCF Interim Secretariat's interactions with the Interim Trustee, prior to the establishment of GCF?				How would you describe the GCF Interim Secretariat's interactions with the Interim Trustee, prior to the establishment of GCF?	