

Annex XVI: Work programme of the Secretariat for 2018 and administrative budget

I. Introduction

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

2. Towards those ends, paragraph 23(e) of the Governing Instrument directs the Secretariat “to develop the work programme and annual administrative budget of the Secretariat and trustee and submit them for approval by the Board”. This document is submitted in fulfilment of that requirement. It also includes in appendix IV a results framework with key 2018 performance indicators.

3. 2017 marked the first time that the Secretariat submitted an annual work programme proposal to the Board. As that work programme (B.16/21/rev.01) and its related priorities were approved by the Board only in April of this year, the Secretariat has been operating under the terms of the 2017 work programme for only five months. As a consequence, this work programme cannot provide a complete review of the Secretariat’s progress relative to all of the indicators and initiatives included in the 2017 work programme. That does not mean, however, that the Secretariat has not made substantial progress. In the short time since the 2017 work programme was drafted, the Secretariat has experienced significant development on a number of fronts, including its size, its output, its vision and its ambition. These advances are reflected in key differences between the 2017 work programme and its 2018 counterpart.

4. In terms of size, by the eighteenth meeting of the Board (B.18), the Secretariat expects to have increased the number of staff that it has on board from 84 in February (when the 2017 work programme was drafted) to around 140. In addition, over the past three months we have worked closely with the expert consulting team at Dalberg Global Development Advisors to evaluate the needs, capacity and structure that would enable us to optimize our performance relative to the Board’s Strategic Plan and the GCF business model. Based on our new staffing situation and related learning, the Secretariat is putting forward in document GCF/B.18/10 titled “Structure and staffing of the Secretariat” a proposal for modest structural changes and a new 2018 staffing target of 250. That document also includes a current view as to how new staff would be mapped into the organization, projecting that almost three quarters of the new hires will be devoted to project cycle functions, including reviewing and processing increasing numbers of project and concept note submissions and monitoring the growing GCF portfolio. The goals included in the 2018 work programme are based on the assumption that the proposed staffing target and structural changes are approved.

5. In terms of output, the 2018 work programme also shows substantial movement relative to its 2017 counterpart. For example, at the time of the development of the 2017 work programme, only two projects had finalized funded activity agreements (FAAs) and initiated implementation; as of 1 September, an additional 16 projects have finalized FAAs, and we expect that number to grow further by the end of the year. In addition, the number of accredited entities (AEs) has increased from 48 to 54, and now includes an even balance of 27 direct access

entities (DAEs) and 27 international entities. The 2018 work programme builds on this and other progress, and is presented with a focus that is more highly output/impact-oriented than its 2017 counterpart. In that regard, where useful, the work programme goes behind the numbers and frames related outputs in terms of their likely impact on key GCF goals. As a result, it represents a first step in the Secretariat's movement towards more meaningful, output-based budgeting. This latter effort will also benefit from the work that the Secretariat has been doing with Dalberg in the development and use of indicative metrics for staffing relative to key outputs.

6. In terms of vision, the 2018 work programme focuses on functional areas and programmes rather than on the Secretariat's individual divisions and offices. This change from the 2017 work programme is purposeful, and more than cosmetic. It reflects both a clear understanding of the essential interdependence of the Secretariat divisions and offices in the achievement of the overall GCF goals and the growing capacity of the Secretariat, which enables an increasing use of cross-Secretariat teams. It also reflects a growing appreciation for the potential contributions of complementary actors in achieving the goals of the GCF. Another difference in vision relates to the 2018 work programme's planning horizon. Specifically, while the 2017 work programme looked almost exclusively at the Secretariat's work for that single year, this year's work programme often frames its programmes and initiatives using a longer planning horizon. This will enable us to begin with an end in mind and prepare the Secretariat for how the GCF could look in the future, if current trend lines hold and/or important new policies are adopted by the Board.

7. A final difference in the 2018 work programme relates to the Secretariat's increased experience with the GCF programmes and its project and programme cycle. As day-to-day manager of these critical activities, the Secretariat is gaining a significant and unique understanding of the operational challenges presented by the existing policies and guidelines of the GCF. Through that process, we are continuing to consider ways to optimize and, where necessary, develop and communicate fixes for operational issues that were not foreseen when initial guidelines were adopted. Where the Board's initial decisions provide the Secretariat with the flexibility to make essential mid-course corrections, we will take action. If further Board action is necessary to make GCF programmes work, the Secretariat will prioritize the preparation of related documents and support the Board in taking robust decisions. In that regard, the Secretariat's 2017 work programme envisioned the Board reviewing and/or taking action on over 30 progress reports and over 45 policy documents that were included in the Board's 2017 work plan. The number of reports and policy documents requested in the 2018 work plan is even larger. Evidence continues to suggest that, in the face of so many mandates, the identification and prioritization of the most important work has become increasingly difficult for both the Secretariat and the Board. To help address this, the 2018 work programme goes beyond a repetition of the items included in the Board's work plan, and includes in section IX a list of the nine project/programme cycle-related policy issues that the Secretariat believes are critical for early resolution in 2018 to enable the GCF to deliver on its project-related goals.

II. Overarching goals for 2017 and 2018

8. The 2017 work programme included five overarching Secretariat goals, and the Secretariat is continuing to focus on their implementation. On reflection, the Secretariat finds those goals to remain just as important as when they were approved by the Board at its sixteenth meeting (B.16). As a consequence, we have updated and carried them forward, and we will continue to focus on their implementation during 2018. In addition, the list of goals below includes three new overarching goals covering the critical issues of project quality, support to DAEs and enhanced cross Secretariat work.

9. The 2017/2018 work programme overarching goals are:

- (a) Finalize as many accreditation master agreements (AMAs), FAAs, projects and required agreements as possible and **maximize** related **disbursements** in order to jump start the **implementation** of approved projects and activities and to advance work on the ground;
- (b) Continue to develop and **operationalize** the procedures to initiate a **proactive and strategic approach to programming**, including through the enhanced dissemination of results area guidance, the issuance of more strategically developed requests for proposals (RFPs), providing more strategic support towards the development of strategic country work programmes, enhancing collaboration with other funds through the implementation of the operational framework on complementarity and coherence and enhancing the use of regional structured dialogues in order to develop and expand a robust pipeline of high-quality, high-impact, country-driven projects, including increased submissions from DAEs and private sector entities;
- (c) Further **operationalize** and strengthen the **AE work programme** process, promoting alignment with country programmes to enhance predictability for countries and AEs and enable the Secretariat to calibrate demand relative to available funds and its capacity to deliver;
- (d) Build and deploy a **Secretariat staff** of sufficient size, talent and global reach to enable it to meet both immediate needs and projected medium-term demands;
- (e) Support the Board in implementing any decisions related to arrangements for the initiation of the **replenishment process** and selection of a **Permanent Trustee**;
- (f) Improve the **quality of the GCF support programmes and projects** coming to the Board in terms of **climate impact**, support for enabling countries to meet their nationally determined contributions (NDCs)/strategic goals, and reduced conditions;
- (g) Enhance support for the accreditation of more **DAEs** and for their development of high-quality projects that support both country and GCF transformational goals; and
- (h) Enhance the use of **cross-Secretariat teams and results-based frameworks** in the planning and execution of GCF programmes and, where relevant, in the performance evaluation of the GCF programmes and its staff.

10. As noted above, the 2017 work programme focused on the specific work of the Secretariat's Divisions and offices. While that format presented a much more siloed view of the Secretariat than is warranted by its actual operation, it had the virtue of highlighting the important contribution that each of those units play in the successful operation of the GCF. This year's work programme presents the integrated work of the Secretariat in a manner that focuses on the work rather than on each of the providers. Before initiating that discussion, however, the Secretariat would like to acknowledge the important contribution that each Secretariat division, office, unit and staff member makes to the work of the GCF and its efforts to both serve the Board and address climate change.

11. The following sections present the highlights of the integrated work the Secretariat intends to undertake in 2018 in the key functional and programmatic areas of: country ownership; readiness; accreditation; project/programme development and implementation; policy; administration and resource management; and risk, audit and legal functions. Where possible, it includes a discussion of goals and outputs that are expected from specific work, and the results framework in appendix IV includes additional key performance indicators for the Secretariat's initiatives and the identification of the budget lines that will be used to support that work.

III. Readiness and Preparatory Support Programme and related integrated initiatives

12. Over the last four years the Board has overseen the development and initial implementation of the Readiness and Preparatory Support Programme (hereinafter referred to as the readiness programme), which is designed to enable such critical activities as the establishment and strengthening of national designated authorities (NDAs)/focal points, country, regional and national dialogues, the preparation and/or strengthening of country programmes and strategic frameworks, and the preparation of a pipeline of GCF-aligned project ideas designed to enable the implementation of these strategic frameworks.

13. Despite its relatively small size, this evolving programme is among the most critical in the GCF portfolio, as the country-driven business model of the GCF depends at its core on strong NDAs/focal points and strong nationally developed country programmes, strategic frameworks and policies. Indeed, these constitute the first essential building blocks to enable countries to develop and meet their NDCs and contribute to the adaptation and 2°C goals of the UNFCCC and the GCF. They are also essential to enabling countries to play a pivotal role in working with AEs to build and execute a robust pipeline of high-quality GCF-aligned projects designed to help them meet those NDCs. In this light, a well-operating readiness and preparatory support programme can be seen as a sine qua non for the effective operation of the GCF. In short, without strong country capacity, country strategies and country participation in pipeline development, the “country-driven” paradigm of the GCF is only a notion.

14. While the readiness programme has faced start up challenges, the Secretariat has made a number of changes during the first half of 2017 to enhance the efficiency and predictability of its operation. These include: the development and execution of a schedule of calls for requests for readiness support and deadlines for action on those requests; the dissemination of further guidance on completing readiness proposal templates; a streamlining of the internal approval process; and the procurement of external grant administration capacity to expedite and manage post-approval processes. These and other changes have led to a significant increase in both the scope and number of countries receiving readiness support. The 2018 work programme projects that the readiness programme will build on this momentum, scale up and experience an even more significant growth in support in 2018, with a focus on improving the salience and quality of assistance provided to countries.

Table 1: Indicative projections of readiness requests to be processed in 2018 by type of activity

Readiness activities	Requests			Projected disbursements
	Number approved	Estimated average value (USD)	Total (USD)	
Adaptation planning	40	2,500,000	100,000,000	30,000,000
National designated authority support, including for country programmes	40	500,000	20,000,000	10,000,000
Strategic frameworks for GCF programming	20	500,000	10,000,000	7,000,000
Support to direct access entities	20	250,000	5,000,000	3,000,000
Structured dialogues and other knowledge-sharing activities	10	500,000	5,000,000	5,000,000
Total	130	-	140,000,000	55,000,000

15. The numbers in table 1 above illustrate growth that is a result of both growing demand and the significant enhancements that have been made in the programme’s management. Although this represents real progress, the Secretariat knows that it is not the number of adaptation plans, country programmes or capacity-enhancement requests that is important – it is the results they are designed to achieve. Accordingly, this section of the work programme will

discuss related work in the context of broader GCF goals. Towards that end, it will seek to review the work programme's key readiness components together with the significant complementary contributions that other Secretariat staff or programmes will bring to related work streams, provided the sufficient allocation of funds.

16. **Country programmes/AE work programmes and GCF planning:** Country programmes and AE work programmes are at the heart of the GCF country-driven approach and goal of strategic pipeline development. These planning documents should include a country or entity's strategic outlook and a highly coherent list of project/programme ideas that are purposefully designed to advance implementation of the strategic goals of the country in a manner that is consistent with the funding framework and transformational goals of the GCF. These important tools are now in their initial iteration, and a preliminary review suggests that support could be deployed and improvements could be made to enable them to work in concert to achieve those strategic goals.

17. Countries are receiving resources from the GCF Readiness and Preparatory Support Programme for the development of official country programmes, of which two have been submitted in a final form, from Zambia and Antigua and Barbuda. In parallel, the Secretariat has worked with countries on the development of initial country programme briefs. These relatively short documents present varying amounts of available information about a country's climate context, and its plan for the GCF. They may include an overview of a country's national context, policy frameworks and plans (e.g. NDCs, national adaptation plans (NAPs), nationally appropriate mitigation actions, etc.), and a summary of the country's respective climate action agenda.

18. Some but not all of those briefs include a list of priority initiatives and/or project concepts that the country would like to undertake. Most of the briefs have a planning horizon of less than three years. Few provide robust descriptions on how the country is working in a complementary fashion with other entities beyond the GCF. NDAs have reported that their work on country programme briefs has served as an important tool in helping them to initiate climate-related discussions with other ministerial departments within their national systems. To date, however, given their early stage of development, not all country programme briefs have been developed with a strategic outlook.

19. In terms of projects and related country and GCF planning, it appears that the country programme briefs have had a limited impact on project selection. As of 20 August 2017, 105 country programme briefs (42 endorsed and 63 drafts) have been submitted to the Secretariat. These briefs list 316 project ideas, of which 19 have been approved and 204 have yet to be submitted in any form. As a consequence, fewer than half of the proposals that have been brought to the Board have been reflected in country programme briefs. Further, with regard to coherence with ideas listed in AE work programmes, only 92 of the 335 single and multi-country ideas included in the AE work programmes are listed in country programme submissions.

20. Consistent with both the GCF country-driven mandate and the Strategic Plan call for enhanced programme planning, there should be coherence between official country programmes, accredited entity work plans, and the pipeline of projects submitted for Board consideration. Optimally, country programmes should also provide information about priority areas for GCF investment in the country, identify project preparation and readiness needs, present the strategic roles that relevant stakeholders (in particular DAEs) will play, identify the process undertaken by the country to monitor and update programmed activity, and promote complementarity by including information on how the country is working on climate issues with other outside entities and funding sources, whether public or private, national or international.

21. Given these factors, the Secretariat's output-based country programme goals for 2018 go beyond simply expanding the number of country programme briefs and official country programmes supported and finalized, and move towards supporting their enhanced quality and strategic use primarily by countries and the GCF. Important 2018 goals in this area include the development of country programme standards and the monitoring of and reporting on increased coherence between AE work programmes and country programmes. Over the next two years, as country programmes and AE work programmes are further developed and amended and further actions to incentivize coherence are considered, we can foresee a time when virtually all project proposals included in the projected pipeline and coming forward to the Board will be present in both country programmes and annual AE work programme submissions. Monitoring alone, however, is not sufficient, and additional initiatives and incentives aimed at increasing strategic country, AE and Secretariat cooperation in the development of country programmes are discussed below.

22. **Strategic frameworks (and pipeline development):** As table 1 above shows, the Secretariat projects a significant increase in GCF support for the development of NAPs in 2018. While the number of national strategic frameworks is an important output of readiness support, related GCF support should also be considered in its broader context, including relative to the development and implementation of a pipeline of project ideas that are aligned with country priorities and GCF policies and goals. To meet all of these objectives, readiness support for strategic frameworks should work together with additional readiness and GCF programmes and with further direction from the Secretariat and the Board. For example, the critical alignment of strategic plans and project ideas with the funding framework of the GCF depends on the existence of robust GCF guidance. Therefore the 2018 work programme targets the production of sectoral guidance to provide better information on what the GCF is likely to be looking for in terms of robust climate projects in each of its eight results areas. In addition, and as will be discussed in the project section of this work programme, the Secretariat believes that both strategic frameworks and project quality would benefit greatly from further articulation of the Board's results frameworks for mitigation and adaptation and the adoption of specific project eligibility guidance. Toward that end, the Secretariat has included the resolution of these policy issues among those that it believes should be a priority in 2018.

23. While strategic frameworks and targeted projects are essential in achieving the goals of the GCF, projects alone will not fully protect the climate; in appropriate cases, country laws and regulations are likely to play a significant role in removing barriers to climate-friendly investment and driving sustained change. With that understanding, the Secretariat's engagement with countries during 2018 will explore ways to ensure the use of readiness funds to support the development of rules, regulations and policies that are best suited to the individual country conditions and enabling them to more effectively shift towards low-emission and climate-resilient development pathways consistent with national priorities. Over the next three years we can envision a more significant allocation of support to these latter activities, which can often yield significant impact at relatively low cost.

24. **Capacity-building/institutional strengthening:** The development of robust country programmes, strategic frameworks and pipelines of high-quality, high-impact projects depends on the existence of a fully functional, informed national focal point with the resources necessary to engage national and local stakeholders and AEs. Readiness support has been deployed for NDA strengthening and the Secretariat has also provided a wide range of support to countries through national and regional structured dialogues, and the work programme and budget envisions support for 8 regional or multi-country dialogues and 20–30 NDA-led dialogues in 2018. Again, however, it is the outcome of these efforts, rather than their numbers that is important. Going forward, these events can be targeted to meet thematic or other specific country and regional needs. Further, as discussed in paragraph 28 below, these dialogues can be leveraged even more effectively than in the past to enhance country, AE and Secretariat cooperation in the development of strategic plans and aligned project pipelines. In addition, the

Secretariat's work to date has suggested the possible benefits of developing packages of base supports for NDAs to enable them to carry out these core activities. Such support could be provided and reported on annually, and we will investigate further the possible implementation of such measures during 2018.

25. **Strategic engagement with DAEs and international AEs:** We expect the demand for assistance to DAEs to continue in 2018, and we are determined to mobilize the expertise in all of our programmes to provide enhanced support. Specifically, and consistent with 2018's new overarching goals of enhancing support to DAEs and improving project quality, cross-divisional teams will participate in a new initiative that will target providing direct support to at least 15 DAEs in their development of work programmes with impactful projects that align with both country programmes/strategies and GCF goals. This work will include supporting the development of DAE concept notes, enhanced direct access (EDA) proposals and Project Preparation Facility (PPF) requests, and we expect this effort to result in at least eight high-quality DAE proposals being brought to the Board in 2018, including six EDA proposals. This initiative represents two significant shifts for the Secretariat. First, it will involve more active upstream engagement than we have heretofore undertaken with AEs. Second, it moves the Secretariat towards working with DAEs in a more strategic manner. While we are confident that this approach will help to improve related project quality, we know that working with DAEs in this manner will be relatively resource intensive for the Secretariat. Further, while we welcome the learning that will come from this approach, we are concerned that the resource intensity of this work may, without complementary changes, be too high to be sustainable on a much wider basis. As a result, while it will help the specific DAEs that we will work with, it will be unlikely to yield a breakthrough in the numbers of DAE projects coming forward to the GCF.

26. In an effort to increase DAE participation more substantially, the Secretariat is currently working to submit to the Board a proposal for a simplified project approval process which could include consideration of such items as a project-specific institutional assessment and independent Technical Advisory Panel (TAP) review process for smaller projects with an internal financial, environmental, social, governance/management capacity review that is specific to the funding proposal under the pilot process, and between meeting no objection approval. Depending on its scope, we would expect changes such as this to lead, over time, to substantially more projects from a range of AEs at lower cost.

27. In addition to our support for DAEs, the Secretariat will also be targeting enhanced strategic engagement with at least 10 international AEs in 2018. The goals of this work will include enhanced project quality/climate rationale and focus on transformative projects, as well as identifying priority investment issues for possible issuance of RFPs in 2018.

28. **Country/NDA engagement initiative:** Table 1 above outlines the key list of activities the readiness programme supports. To date, the programme has generally provided support for these items individually and as requested by countries. Further, to optimize predictability, the programme has moved to requests for calls for assistance on specific dates. While these individual interventions can and have helped NDAs, it is clear to the Secretariat that related work could have a more powerful impact if project funding was more readily available and coordinated with the additional assistance of the Secretariat and hired support. For example, traditional support for national or even regional dialogues can be leveraged to bring together countries, AEs, DAEs, private sector entities and the Secretariat and/or hired firms in efforts to collaborate on the development of country programmes and strategies and related project ideas that are aligned with the transformational goals of the GCF. Institutional strengthening support could be packaged and provided in a predictable and sustained manner to ensure that NDAs have the consistent capacity necessary to be active participants in the full range of policy and programmatic work necessary to implement a country driven approach. These and other efforts could be augmented with sustained Secretariat-wide and/or hired firm technical support. The goals of such concerted efforts would include increasing NDA capacity, enabling the

participatory development of strategic country programmes and climate strategies with clear climate baselines, enhancing an understanding of climate finance availability and the role of the private sector, and facilitating the development of project ideas that are aligned with national plans, GCF goals and AE work programmes. Towards this end, and on the basis of discussions with countries, the Secretariat intends to enhance and coordinate strategic engagement with at least 20 countries in 2018. This effort is an example of a way in which the Secretariat can leverage the existing tools within GCF to increase the impact of GCF support. An additional example relates to the 2018 roll out of new web-based portals that will enable AEs and NDAs to access up-to-date information on their project pipelines, including the status of the ongoing review of their concept note and funding proposal submissions. These new web-based portals are being developed with cross-divisional support and the Secretariat target for 2018 is the creation of portals for a number of countries and AEs. This initial work is a first step towards supporting countries and enabling them to more clearly understand the GCF framework. In that regard, this initiative will advance the strategic plan goals of enhancing both transparency and access.

29. **Staffing/Delivery Mechanisms:** As of 1 August, the Secretariat had approximately 14 full-time equivalents (FTE) staff working on the range of readiness activities outlined above. This includes the annual equivalent of 7 consultants. If the proposed 2018 staffing target is approved and met, and considering the initiatives discussed in paragraphs 25 and 28 above, we foresee the number of related FTE staff growing to approximately 30 with the number of regional consultants stabilizing at 9. This latter fact raises the issue of delivery mechanisms. The Secretariat has been continuing to deliver the majority of its support on related activities to countries through Secretariat staff and part-time regional consultants. Over time the countries we are working with have requested increased direct technical assistance. For this reason, the need for hiring consultants and consulting services is very likely to grow.

30. As reported in the 2017 work programme, the Secretariat is currently providing assistance through the use of email, telephone and video calls, travel from Songdo (including to regional and national dialogues), and bringing NDAs to Songdo for meetings. As stated in the 2017 work programme, the Secretariat still believes that supporting NDAs, AEs and DAEs in the development of strong national strategies and increasingly strong proposals can be accomplished much more efficiently through the establishment of regional hubs, which could facilitate the more active support of NDAs in their work with AEs and DAEs, and facilitate greater south-south experience sharing. In the absence of Board approval for this approach, we will strive to use our readiness resources as efficiently as possible to support the strategic country engagement and DAE and IAE support initiatives discussed above.

IV. Adding new accredited entities

31. **Accreditation:** Since the opening call for applications for accreditation in November 2014 and up to 1 September 2017, 240 entities have been issued with accounts on the online accreditation system. This represents an increase of 38 in period from 1 March to 1 September 2017, demonstrating that there is a continuing interest in exploring accreditation to work with the GCF. Not all of those 240 account holders, however, have completed or are likely to complete applications. As of 1 September the Secretariat had received a total of 146 applications. 54 have been reviewed and formally granted AE status, which leaves the GCF with a backlog of 92 applications that are in various stages of review. Specifically, 78 are undergoing a completeness check and 14 are under the review of the Accreditation Panel.

32. In accordance with decision B.14/08, the Secretariat has been prioritizing the review of applications from national DAEs, entities in the Asia-Pacific and Eastern European regions (due to their current under-representation), private sector entities, in particular those in developing countries, and entities responding to RFPs in the areas covered by the GCF pilot programmes for

enhancing direct access; support for micro-, small-, and medium-sized enterprises (MSMEs); and mobilize funds at scale which are discussed later in this document. Should the Board consider the extension of decision B.14/08 or a new prioritization approach for 2018, the Secretariat would apply that in the application review process.

33. As noted in paragraph 26 above, the Secretariat intends to submit a proposal for a simplified approval process which could call for the use of project-specific institutional assessment, including an internal financial, environmental, social, governance/management capacity review that is specific to the funding proposal rather than the full accreditation review for some seeking to do work on smaller projects. In such a case, DAEs would be assessed on their capacities to deliver the proposed project under this pilot process only; if it sought to engage with the GCF more broadly, the entity would need to undergo the accreditation process. If such a change were agreed by the Board by a point early in 2018, the Secretariat projects that it would be able to process 30–40 entities through a project-specific institutional assessment for 2018 including 20–30 DAEs, of which 10–15 could be private sector entities. If no related decision is taken, the Secretariat expects to be able to increase its processing of AE applications to over 20 entities during the Stage I accreditation process during 2018.

34. Total current staffing dedicated solely to accreditation, including support for DAEs and entities that are already accredited, is two. If the 2018 staffing target of 250 is agreed by the Board, we project that this number will rise to approximately 9 by the end of 2018, and that hiring, together with cross-divisional assistance and related consultant/contractual services funding will enable the Secretariat to meet the accreditation goals contained in the work programme.

V. GCF project/programme related challenges

35. As suggested by the introduction of a new overarching goal, issues surrounding project quality and project review are reaching a tipping point within the GCF, and decisions are urgently required to address these issues. To put this into context, it is useful to review the evolution of the GCF relative to the availability of funds, the number of entities accredited to do business with the GCF, and the review and approval of proposals.

36. In terms of evolution, it is easy to forget that the GCF approved its first group of projects and programmes only 21 months ago. At that time the GCF had a large amount of available funding and a limited number of AEs, creating a situation where there was limited competition for the funding of proposals. In addition, and as recognized in decision B.11/11, at the time of the first approvals the GCF lacked robust project eligibility criteria to guide either project development or selection.

37. When competition is limited and project costs are easily covered with available funding, it may not appear overly critical to have in place project eligibility criteria and results area guidance that directly link project requirements to country strategies and the GCF goals. Moving forward 21 months, however, the implications of the lack of such guidance, criteria and linkages has become clearer, and during 2016 and 2017 the Board has expressed increasing concerns with the quality and climate impact of proposals submitted to the GCF. This concern has been reflected in both Board member comments and in an increasing number of conditions attached to funding proposals approved by the Board. These are facts on the ground that the Board sees directly.

38. What may be less visible to the Board is the impact that the paucity of related guidance is having on the work of the AEs and the Secretariat. The GCF now faces a steadily increasing number of AEs and a related increase in the number of proposal submissions. At the same time, the Secretariat lacks the agreed criteria needed to select the most appropriate ones. Further, because the proposals currently under review were developed without the benefit of robust

guidance and project eligibility requirements, both their quality and their linkage with country strategies and the GCF transformational goals remain variable. This fact has significant implications for the efforts of both the Secretariat and the AEs. For example, our analysis shows that the Secretariat is spending, on average, approximately 50 person days of review time on each public-sector project submission. During that review, and through engagement with the relevant AE, it often becomes clear that the proposals that were developed and submitted lack viability, resulting in the AE significantly reworking the proposal and/or, in some cases, withdrawing it from consideration. As a practical matter, this means that many work years are currently being spent on the development and review of projects that prove to be unviable. This unproductive effort could be greatly reduced if there were clear eligibility requirements, better results-area guidance, and enhanced Secretariat engagement on project ideas well before the development and submission of full projects.

39. Beyond a loss of time and effort, however, the current lack of such guidance and early engagement is presenting practical constraints on the Secretariat's capacity to deliver in a manner consistent with what we believe to be the ambitions of the GCF. Specifically, and taking into account the increasing number of AEs and the related expected increase in concept notes and project proposals that the Secretariat expects to receive and review in 2018, we currently project that the number of quality proposals we will be able to submit to the Board in 2018 will be in the range of 40–55. While this would be a laudable average increase of approximately 80 per cent relative to the 25 proposals that were submitted in B.16 and B.18, the Secretariat shares the ambition of the Board for the achievement of a much greater impact. Further, we know that more projects are possible, as we expect that an accumulative 125 funding proposals will be in the pipeline in 2018. The difference between that number and the 40–55 proposals we expect to send to the Board implies that a significant percentage of proposals submitted to the Secretariat would not have been of a sufficiently high standard for Board consideration without substantial rework or resubmission to ensure that they are properly aligned with both country and GCF goals. A key to greater project numbers and impact will be improvements in project quality at submission.

40. Another factor that will affect both the Secretariat's review workload and the output of the GCF will be the increasing number of funding proposals submitted by DAEs. While we are all striving to enhance DAE participation, the fact is that DAE proposals are likely to be much smaller in terms of monetary value than the current average GCF project. At the same time, their development and review is currently assumed to require increased Secretariat support. Given that, it is possible that the increasing numbers of smaller DAE projects in the annual GCF portfolio would result in only marginal changes in the total value of the GCF's annual output.

41. The Secretariat believes it may take a group of actions to make a breakthrough in this critical area. First, as discussed above, the Secretariat believes that the development and widespread communication of clear project eligibility requirements and results-area guidance will be critical to improving quality at submission and enhancing the efficiency of project review. Further, we believe that a simplified approval process for small projects could lead to a significant increase in project outputs with more limited demand on Secretariat resources. Finally, as will be discussed in more detail below, we believe that increased Secretariat engagement at the project inception stage would greatly increase the effectiveness of both the project development work of AEs and the Secretariat's project review work, leading to an enhanced capacity of each to process higher numbers of impactful climate projects. If those issues were adequately addressed sufficiently early in 2018, we believe that the Secretariat could be positioned to significantly increase its delivery of high-quality projects to the Board in 2019. Toward that end, the Secretariat has prioritized related policy documents as ones that we believe are most critical for the Board to take action on in 2018 (see section IX below).

42. In terms of staffing, the Secretariat believes that staffing for project-related review processes is the area that will need the largest increase in staff, and as discussed in more detail

in document GCF/B.18/10, the Secretariat currently projects that about three quarters of the new staff that would be brought on pursuant to the new staffing target would be in project cycle-related positions. Dalberg also projected a need for further increases in related staff in 2019. That said, the degree of the trajectory in project-related staffing that is currently foreseen as necessary could be changed if new policies are put in place to support the submission of high-quality projects.

VI. Public and private sector programmes and related targets for 2018

43. The following sections review progress on individual project-related programmes; a summary section on overall projections for projects and disbursements follows. Related projections included in these sections assume Board approval of the Secretariat's 2018 budget request and staffing goal and 2018 implementation of, among other things, the short-term structural changes and ICT enhancements discussed in the work programme. They also assume that the proposals submitted to the Cairo meeting of the Board will be the last proposals submitted in 2017.

6.1 Concept note programming for 2018

44. In accordance with current procedures, AEs or intermediaries may submit a brief concept note to the Secretariat with a view to verifying whether the project/programme concept they are considering is broadly aligned with key GCF guidance including the GCF investment and results management framework, gender policy and transformational goals. As such, concept notes could play an extremely valuable role in early screening and helping to facilitate the development and submission of high-quality transformational proposals. To date, however, concept notes have been of varying length and depth, and their review has not benefited from the presence of clear standards. Further, their optional status has often placed them on a lower priority than projects or policies requested by the Board. These and other factors have contributed to a review time that is often in the order of three to four months, rather than the one month originally envisaged.

45. As noted above, the Secretariat believes that its increased engagement at the project concept stage, combined with greater clarity on project eligibility criteria, would greatly increase the efficiency and effectiveness of both the AEs project development work and the Secretariat's project review work. Therefore, the Secretariat has identified changes to the concept note guidelines as a priority for Board action in 2018. Prior to that time, however, the Secretariat will initiate interim measures. Specifically, later in 2017 or early in 2018, the Secretariat will issue a new simplified concept note template to make it more focused, easier to use and review, and of greater value in ensuring alignment with the GCF transformational goals. In addition, the Secretariat will consider ways to incentivize the enhanced use of concept notes. We believe that these and other measures could help to focus full project development on the most worthy projects, to enhance the quality of full proposals submitted for review and could lead to a reduction in review time.

46. Given historic trends, and taking into account the initiatives described above, the Secretariat expects to review and provide targeted feedback on 220 to 250 concept notes during 2018 (including up to 150 related to the pilot programme RFPs, which are expected to meet general criteria of RFP).

6.2 Project Preparation Facility

47. The PPF, authorized at the eleventh meeting of the Board (B.11), was targeted at small-scale activities and DAEs. As agreed through decision B.13/21, the Board made USD 40 million available to the PPF to support project and programme preparation requests from all AEs, especially DAEs, and especially for projects in the micro-to-small size category with a view to enhancing the balance and diversity of the project pipeline. As the PPF has only recently become operational the Secretariat is continuing to rationalize related processes to enable more timely decisions and disbursements. As a result of these efforts, we are targeting a 50 per cent reduction in the time taken for related reviews and disbursement in 2018 (down to three months from submission to disbursement). In addition, and assuming the increase in staff consistent with the Secretariat's 2018 target, the Secretariat is projecting the approval of 30–40 PPF requests in 2018 and a related disbursement of USD 14 million during the year.

48. However, numbers of reviews and approvals are not in themselves substantive outputs. In that regard, we believe that PPF funding will lead to a significant increase in the number and diversity of high-quality GCF-aligned projects that are submitted to the GCF. Given the lag time between PPF funding and the submission of related projects, however, this assumption has yet to be proven. In the meantime, annual work programme reports to the Board will include an analysis of indicators such as: the degree to which PPF requests align with country programmes and entity work programmes; and the expected climate benefits of related projects.

6.3 Enhanced direct access pilot programme

49. At its tenth meeting (B.10), the Board agreed to an initial allocation of up to USD 200 million for at least 10 EDA pilot projects, including at least 4 to be implemented in small island developing States, the least developed countries and African States. The direction regarding this pilot emphasized the role of country institutions, and in particular NDAs, in the origination, design and implementation of EDA funding proposals. Based on that direction, in June 2016, the Secretariat launched a request for EDA concept notes. To date, one EDA project has been approved by the Board. In 2018, the Secretariat is proposing to revise and clarify the terms of reference and develop an internal task team to support the implementation of the pilot phase of the EDA by encouraging proposals to be submitted and bringing six of these to the Board in 2018.

6.4 REDD-plus programme

50. In response to the UNFCCC REDD-plus guidance, the Board, through decision B.14/03, requested the Secretariat to develop a request for proposals for REDD-plus results-based payments (RBPs). Following consultations with REDD-plus experts and Board members, the Secretariat submitted to the seventeenth meeting of the Board (B.17) draft terms of reference for a REDD-plus RBP pilot programme, and after further discussion the Board, by decision B.17/18, requested the Secretariat to undertake further analysis and to present to B.18 a draft request for proposals for the pilot programme and the related draft scorecard. The Secretariat notes that there would be a high level of country and AE interest in participating in a REDD-plus pilot programme and projects that, if the terms of reference for the RFP is approved at B.18, it will be able to initiate review and work towards the review of up to 10 REDD-plus pilot proposals in 2018. Additional REDD-plus work expected in 2018 includes reviewing and taking action on at least four public sector and three private-public funding proposals for a total of seven REDD-plus proposals.

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

51. At its tenth meeting, the Board established an MSME pilot programme with a view to encouraging private-sector investment in support of MSME climate activities, and at the thirteenth meeting of the Board (B.13), the Board reviewed and authorized the Secretariat to issue an initial RFP aimed at soliciting up to USD 100 million in proposals from AEs and potential AEs.

52. In response to that initial RFP, the Secretariat received 30 concept notes from existing and potential AEs as well as financial institutions to work with AEs. It shortlisted seven concept notes based on the RFP evaluation criteria and invited the submitters to develop full funding proposals. To date two projects have been approved: FP028 Business loan programme for greenhouse gas emissions reduction by XacBank; and FP029 SCF Capital Solutions by DBSA. The Secretariat is planning to present up to three more MSME proposals before closing the first MSME RFP pilot. The Secretariat will request the Board to release the second tranche for the first part of the year after closing the first pilot. There are already a few requests in the pipeline for the second tranche.

6.6 Mobilizing funding at scale/Pitch for the Planet programme

53. The Board, in decision B.16/03, paragraph (a), requested the Secretariat to issue the RFP to solicit responses from AEs and potential AEs to establish and manage pilot programmes for mobilizing funds at scale and decided to allocate up to USD 500 million over the course of the initial mobilization period for this programme. The Board also decided to consider proposals submitted under this RFP as part of the wider portfolio of the GCF, and through the same modalities as standard proposals. The Secretariat has undertaken several promotional activities to raise awareness about this RFP among prospective private sector organizations since its launch, including the development of a promotional video and the establishment of an RFP microsite, the latter of which has received over 13,000 visits since its launch. The Secretariat also received over 200 emails and 150 phone calls for enquiries. The questions received about the RFP and the Secretariat's answers were anonymized and uploaded on the website and updated regularly.

54. The RFP closed on 30 August 2017 and the Secretariat received 350 concept notes. After the initial review by specialists from the Private Sector Facility Division (PSF), an evaluation committee comprised of specialists from the Country Programming Division (CPD), the Mitigation and Adaptation Division (DMA), PSF and the Division of Support Services (DSS) will review the submitted concept notes. An external consulting firm will be hired to audit the process. The concept notes submitted in response to this RFP will be scored against predetermined and Board-approved criteria and the submitters of concept notes with the highest scores will be invited to develop full funding proposals. The Secretariat aims to present the first batch of funding proposals at B.19 for the Board's consideration, and has targeted the submission to the Board of 4-7 proposals during 2018.

6.7 Additional private sector initiatives

55. While many of the programmes above will have significant private sector focus or participation, additional private sector initiatives in 2018 are designed to prepare the GCF and its stakeholders for further private sector involvement with the GCF in the years ahead. Toward that end, in early 2018, the Secretariat will present to the Board an analysis of the private sector landscape and recommendations for focusing private sector work. In addition, in both direct engagements and through the Secretariat's strategic country, AE and DAE initiatives, the Secretariat will work to enhance country and AE understanding and capacity relative to the

important role that the private sector can play in climate change and GCF programmes. Finally, during 2018, the Secretariat will initiate training programmes aimed at enhancing Secretariat-wide capacity to engage private sector firms in GCF projects.

56. As part of 2018 plan, the PSF continues to support the Private Sector Advisory Group to deliver its mandates to the Board, including: making recommendations on the development of modalities to support activities enabling private sector involvement in least developed countries and small island developing states; identifying opportunities to engage the private sector, including local actors, in adaptation actions at the national, regional and international level; and making recommendations on forestry and REDD-plus.

VII. Overall 2018 project/programme projections

57. Based on the assumptions noted above the Secretariat is currently projecting the submission to the Board in 2018 of 40–55 funding proposals during 2018, including up to approximately 25–35 public sector proposals and between 15 and 20 private sector proposals. Some of the specific project-related targets for 2018 are summarized in table 2:

Table 2: Projection of approval for 2018

	Funding proposals	Readiness support (non-NAP/PPF)	Project Preparation Facility	National adaptation plans	REDD-plus	Mobilizing Funds at Scale – Pitch for the Planet	MSME II
	USD amount (number of proposals/requests)						
Public Sector	1–1.3 billion (25–35 proposals)	–	–	–	(4 proposals; included in public sector estimate)	–	–
Readiness related	–	30–40 million (60–80 requests)	14–15 million (30–40 requests)	100 million (40 requests)	–	–	–
Private Sector	1.2–1.5 billion (15–20 proposals)	–	–	–	–	450–500 million (4–7 proposals)	80–100 million (4–5 proposals)
Subtotals	2.2–2.8 billion (40–55 proposals)	30–40 million (60–80 requests)	14–15 million (30–40 requests)	100 million (40 requests)	Included in public sector subtotal	Included in private sector subtotal	Included in private sector subtotal

58. While table 2 and the discussion above show a significant projected increase in the numbers of projects that the Secretariat expects to send to the Board in 2018, they do not speak specifically to the quality of those projects. In order to enable us to do that, the Secretariat will work in 2018 to set standards for and initiate the monitoring of key project quality indicators including the number of “quality- and readiness-related” conditions attached to proposals, the percentage of proposals coming from concept notes and PPF requests, the percentage of proposals that emanate from country programmes and entity work programmes, and the level of climate related benefits.

59. In more specific terms, the Secretariat has included in appendix III an indicative list of the projects that might be put forward during 2018. It should be noted that the projects on that list are tentative, and that some of the specific proposals are very likely to fall off as listed proposals encounter issues and/or new high-quality proposals are processed. In an effort to advance transparency, the list includes preliminary data on some of the projects. While the following attributes of the list may be interesting, given their very preliminary nature, they should be understood to be speculative. With those caveats, 18 of the potential proposals are listed as adaptation, 7 as mitigation, and 19 as cross-cutting, with most projects in the latter category estimating significant carbon dioxide (CO₂) benefits as well as beneficiary number

impacts. With regards to those benefits and impacts, the projects/programmes that have preliminary estimates indicate aggregate lifetime reductions of over 100 million tonnes of CO₂ equivalent and aggregate beneficiary numbers of over 100 million people. Eight of the projects on the indicative list include information showing that they that come from DAEs, with the remainder being projected to come from international entities. 10 projects on the list are currently contained in country programme briefs, and 17 are currently contained in AE work programmes. As has historically been the case, the Secretariat will present an updated, forward-looking project list and related numbers to each meeting of the Board in 2018.

VIII. 2018 projections for initiating the implementation of approved projects/programmes and related disbursements

60. While Board review and approval of new projects and programmes are very important first steps in the GCF project/programme cycle, the Board is aware that there are several additional post-approval steps that must be completed before disbursements can be initiated and project implementation can begin. These include the need for the AE and Secretariat to negotiate the resolution of the independent TAP and Board conditions on approval, the finalization of an AMA with the AEs (if one had not already been negotiated) and the finalization of a project-specific FAA with the GCF. Because these activities require technical, legal and risk expertise, they are carried out by cross-Secretariat teams that include significant contributions from the Secretariat's Office of General Counsel and Office of Risk Management, in addition to the finance team of the Support Services Division, task managers from the DMA and the PSF, and contributions from the CPD.

61. In February 2017, when the 2017 work programme was just being developed, the GCF only had two projects with FAAs and only one project that had gone through the process described above and reached the implementation stage. At 1 September 2017, the Secretariat can report that 17 of the 35 proposals approved prior to 2017 now have related FAAs. As a result, the Secretariat has already met its 2017 goal of having 17 or more projects reaching the implementation phase by the end of 2017.

62. With regards to the 2018 work programme, the Secretariat is projecting that by the end of 2018, over 80 per cent of the projects that have been approved through B.18 will have gone through the processes noted above and begun implementation. This progress will have a significant impact on disbursements. At the current time, the Secretariat is projecting that, during 2018, cumulative disbursements on projects approved prior to B.18 could amount to over USD 800 million, a level that is over one third of the value of proposals approved through B.16. Additional readiness related disbursements in 2018 will also be substantial. Table 3 below summarizes current projections for disbursements in 2018.

Table 3: Projections of disbursements for 2018

Funding proposals	Non NAP/PPF readiness support	PPF	NAPs
Cumulative total public sector disbursements projected to reach USD 164 million by end of 2018	-	USD 14 million disbursed for PPF applications approved in 2018	USD 30 million disbursed for NAPs approved in 2018
-	USD 25 million disbursed on 2018 approvals	-	-
Cumulative total private sector disbursements projected to reach as much as USD 673 million by the end of 2018	-	-	-
Totals			

Up to USD 837 million by end of 2018	USD 25 million	USD 14 million	USD 30 million
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Note: The difference in estimated disbursements between public and private sector proposals reflect the fact that public sector projects tend to have a longer payment schedules with many small disbursements over time, while private sector projects tend to have shorter payment schedules with larger disbursements.

Abbreviations: NAP = national adaptation plan, PPF = Project Preparation Facility.

IX. Secretariat support for the Board including reporting/policy support and implementation

63. In accordance with the Governing Instrument for the GCF, the Secretariat has significant responsibilities related to the Board, and during 2018, the Secretariat will support new Board Co-Chairs as they accept new responsibilities within the GCF, and will also receive the nominations of new Board members for the term 2019–2021. In addition, the Secretariat will strive to support the Board’s responsibility under the Governing Instrument to oversee the operation of all relevant components of the GCF.

64. As noted in the 2017 work programme, over the course of the first 15 Board meetings, the request for Secretariat reporting increased significantly, and at the current time, the Secretariat produces or updates 10 discrete reports for each meeting of the Board, the majority of which relate to GCF programmes. These reports are reflected in the Board’s draft 2018 work plan – where they currently constitute over one quarter of the listed work plan activities. As noted in the 2017 work programme, the Secretariat believes that, while important, the majority of the Secretariat progress reports can be streamlined and consolidated, and towards that end, the draft work programme decision includes proposed language to that effect.

65. In addition to the progress reports, the Board’s draft 2018 work plan requests over 55 policy reports from the Secretariat. Those reports are excerpted from the work plan and listed in appendix II to enable their review. The Secretariat would like to highlight the following policy issues that it believes are critical to the operation of the project and programme cycle:

- (a) Adoption of a simplified process for approval of proposals for certain activities, in particular for small-scale activities;
- (b) Adoption of a two-stage proposal approval process (decision B.17/09, paragraph (g));
- (c) Adoption of modalities to fast-track accreditation of private sector entities (decision B.17/06, paragraph (e));
- (d) Adoption of an incremental cost calculation methodology and/or alternative methodologies (decision B.17/10, paragraph (c) (i));
- (e) Adoption of further indicators in the performance measurement frameworks;
- (f) Adoption of policy guidelines on a programmatic approach;
- (g) Guidance and scope for providing support to adaptation activities (decision B.17/10, paragraph (c) (ii));
- (h) Presentation of findings of the additional analysis of potential investment priority areas to identify specific result areas where targeted GCF investment would have the most impact; and
- (i) Adoption of further guidance on concessionality (decision B.17/10, paragraph (c) (iv)).

66. In addition to the project and programme-related issues noted above, the Secretariat would also like to highlight the importance of decisions on replenishment, the selection of the Permanent Trustee, a methodology for decisions between meetings and on a communications

strategy as the decisions that it believes are particularly important to the operation of the Secretariat.

67. The Secretariat notes that several of the policy issues identified above as priorities were included in the Board's work plan for early 2018. Others, however, are not. Further, we note that the actual agenda of specific Board meetings often becomes too busy to accommodate all of the policy items that were included in the work plan for a specific meeting. For example, at B.17, the Board deferred 21 items in the work plan. Accordingly, the Secretariat requests the Board to consider taking up the above-noted issues for priority consideration early in 2018.

68. Beyond preparing Board documents and facilitating the meetings of the Board, the Secretariat will work on several additional matters related to supporting the Board in 2018, including the review of guidelines on observer participation, and facilitating and monitoring the implementation of the GCF information disclosure policy.

69. Additional 2018 programme implementation work that the Secretariat would like to highlight relates to the significant new programmes for risk management and complementarity and coherence that the Board recently approved (at B.17); the initiation of work under those programmes will be among the Secretariat priorities in 2018.

70. With regards to the implementation of the operational framework on complementarity and coherence, and in accordance with decision B.17/04 and relevant guidance from the Conference of the Parties (COP), the Secretariat will support the engagement of countries in promoting coherence among climate finance delivery channels at the national programming level. An increased number of concept notes, funding proposals and requests for readiness and other preparatory support with consideration of complementarity with other climate finance delivery channels will be sought. The second annual dialogue with climate finance delivery channels will also be held in 2008 as part of the implementation of the framework.

71. Another priority area is the implementation of mandates related to linkages with the Technology Mechanism of the UNFCCC and advancing technology-related matters. In accordance with decision B.14/02 and relevant COP guidance, the Secretariat will be taking further steps to enhance cooperation and engagement with the Technology Executive Committee and the Climate Technology Centre and Network. Additionally, in 2018 the Secretariat will be taken forward decisions to advance concrete options on how the GCF can support collaborative research and development in developing countries, upon receiving further guidance from the Board at B.18.

72. As an operating entity of the financial mechanism of the UNFCCC accountable to and functioning under the guidance of the COP, the Secretariat will also support the implementation of the arrangements between the COP and the GCF during 2018 through the implementation of guidance from the twenty-third session of the Conference of the Parties (COP 23); the submission of the "Seventh GCF Report to the COP"; representation in meetings of the COP and its subsidiary bodies and participation in COP 24 (Katowice, Poland, 3–14 December 2018) and in meetings of the thematic bodies of the UNFCCC.

X. Communications and outreach

73. Communications is a core function of the Secretariat that cuts across all operational activities of the GCF. The proposed priority activities for the Secretariat's 2018 work programme would therefore be implemented into all substantive areas of the GCF in an integrated and coordinated manner.

74. For 2018, the Secretariat's communications and outreach activities will closely follow the strategic plan and core objectives, specifically by:

- (a) Communicating focused accounts of the impact of the operations of the GCF;

- (b) Explaining how developing countries benefit from their relationship with the GCF, including by creating awareness of the ability of the GCF to enhance national capacity;
- (c) Prioritizing content creation and proactive messaging to convey the 'GCF story' which emphasizes the success of the GCF in implementation;
- (d) Scaling up outreach efforts to the private sector;
- (e) Continuing support for resource mobilization (targeted towards new potential contributors) in line with Board-agreed resource mobilization plans or campaigns;
- (f) Promoting dialogue with civil society representatives at the international, regional and national levels, as well as by amplifying messages in partnership with like-minded organizations;
- (g) Creating a comprehensive visual identity and branding for the GCF;
- (h) Pro-actively engaging target audiences and key stakeholders through online platforms, using latest digital communication tools; and
- (i) Identify opportunities for a 'GCF Stakeholder Forum' in 2018, to be convened with an established outreach partner that would support the hosting of such gathering.

75. In addition, a key deliverable for 2018 will be the development of a revised GCF Communications Strategy in line with previous Board decisions and advice from the Co-Chairs. Following the Board decision B.13/25, the Secretariat will solicit new input from the Board and adapt this strategy in 2018.

XI. Administration and resource management

76. Broadly speaking, the administration and resource management function of the Secretariat encompasses a wide range of activities including resource mobilization, administration, finance and procurement, portfolio management and monitoring, information and communication technology (ICT) and human resources. The hundreds of activities supported under these broad headings range from the production of annual audited financial statements to ensuring sufficient office space for new Secretariat staff and ensuring accountability for disbursements on projects and activities; indeed, the Secretariat's increasing staff and project work will require the Secretariat to continue to enhance our work in these last two specific items in 2018. Those, however, are only examples; the Secretariat is targeting significant work in many additional work areas in 2018.

77. **Resource mobilization:** The Secretariat notes the guidance to the Board from COP 22 and COP 23 "to agree on the arrangements for the first formal replenishment process of the Green Climate Fund." The Secretariat will continue in 2018 to stand ready to support the Board in any direction that it may decide regarding those arrangements for replenishment. Further, in an effort to ensure that we are well positioned to initiate action as soon as a Board decision is taken, the Secretariat will enhance its staffing in this area by up to four staff. A comprehensive replenishment process can take approximately 18–24 months to conclude. One final initiative we would like to highlight in this area relates to our effort to develop a proposal on policies and procedures for accepting contributions from both subnational jurisdictions, and philanthropic foundations and other non-public alternative sources. We believe that these sources can play a role in the evolving funding environment of the GCF, and we note that this issue is included in the Board's work plan.

78. **Administration:** The Secretariat has a large number of initiatives to undertake in the continuing effort to develop the administrative frameworks necessary to ensure the efficient and effective operation of both the Secretariat and the GCF. During 2018, the Secretariat is

scheduled to revise the Administrative Guidelines with an intention to present a principles-based policies, rather than Administrative Guidelines.

79. The current staffing of the Secretariat is expected to reach nearly 140 by B.18. The draft 2018 work programme and administrative budget assume total staffing of 250 by the end of 2018. This will necessitate the provision of additional office space and supporting functions to facilitate new additional staff.

80. The Secretariat also prepared a GCF Business Continuity Plan and an Emergency Evacuation Plan approved in 2017. Given the current geopolitical tensions in the region both will be monitored and updated constantly during 2018.

81. Another set of important initiatives relate to the Secretariat's **treasury function** and its role in managing the assets and liabilities of the GCF. On that front, the Secretariat is targeting completion by the end of 2018 for a number of initiatives that are essential for protecting assets of the GCF and increasing investment return of cash position including the development of new cash investment portfolio to increase investment return and to lower risk; the proposal of a new foreign exchange hedging risk strategy to lower the risk of foreign exchange conversion effect; and the completion of building and customizing a new cashflow management system in the GCF. Another important initiative in the administration area relates to the finalization of the Secretariat's initial operations manual. This living document, which was requested by the Board, will help to clarify roles and responsibilities of staff and offices in key funding processes, and thereby enhance cross-Secretariat cooperation. It will also support induction of new staff and, through its evolution, facilitate continuous improvement in Secretariat's work. Training, socialization and revision for process improvements will continue in 2018.

82. In 2018, the **portfolio management and monitoring functions** will move from a start-up position to one playing a crucial role in several areas, including the monitoring of the expanding portfolio of approved projects. Toward that end, the Secretariat is developing templates for Annual and Portfolio Performance Reports (APRs) to facilitate timely and consistent reporting on key indicators. The First Portfolio Performance Report will be prepared and presented to the Board in the first half of 2018. In addition, the Secretariat will initiate systems for data reporting/dashboard to enable us to meet the requirements for portfolio performance reporting.

83. **Information and communication technology (ICT):** The 2017 work programme highlighted the build out of ICT systems as an area of extreme importance, and in the short time since that work programme was developed, a group of additional priority projects have been identified. The potential benefits of related initiatives were reinforced by our work with Dalberg, which emphasized the significant impact that the ICT work could have on both the efficient operation of the Secretariat and required Secretariat staffing. Key ICT products not identified in the 2017 work programme that are considered to be near-term priorities for the remainder of 2017 and into 2018 include: enhancements to the Secretariat's document and records management system (DMS/RMS) which is essential to facilitating team collaboration and increasing efficiencies across all departments; the development of the Secretariat's human resources (HR) management system; the development of an e-Sourcing system for procurement; enhancements to the infrastructure improvement system designed to integrate the Secretariat's various communications tools; the establishment of country and AE portals to facilitate enhanced transparency and interaction with these key stakeholders; and the development of a due diligence management system. To support the development and operation of these programmes, and to build out other essential ICT tools, the Secretariat is targeting the hiring of approximately six new ICT staff during 2018.

84. **Procurement:** The procurement function of the Secretariat has grown in 2017 from a two-person team to an eight-person team. The procurement function now includes travel services as well as recruitment of individual consultants. In 2017, a number of initiatives were

started in order to make the procurement function support GCF operations more efficiently and in line with good practice. As some of the initiatives were interdependent, these will be continued and finalized in 2018:

- (a) The sustainable procurement (policy) administrative instructions document is due to be presented during 2018;
- (b) Travel services have been outsourced to an external firm with the Procurement and Travel Team providing oversight. The travel services contract provides for 24/7 English services and travel insurance to GCF travellers. It is expected that this approach will make provision of travel services more efficient over time and help with cost control through identification of saving opportunities with the travel agent;
- (c) The procurement planning process started in 2017, and related lessons learned will be used for subsequent procurement plans. Procurement planning for 2018 is expected to commence in November 2017 through to 31 January 2018;
- (d) Standard bidding documents will be updated and introduced after approval of the revised procurement guidelines because the revisions will be based on the same guidelines; and
- (e) E-sourcing system – a lot of progress has been made in relation to procurement of the E-sourcing system. It is expected that, all factors constant, the E-sourcing system will be fully in place before the end of 2017 and tested to identify possible gaps before full scale implementation and user training in 2018.

85. With the increase in the number of professional staff in procurement (from one to three) it is expected that more efficient support to the project proposal review process will be provided on procurement matters. As part of the 2018 focus, the procurement unit will collaborate closely with the CPD, the PSF and the Portfolio Management Unit to identify possible gaps on procurement issues that should be addressed before a proposal goes forward to the next stage. This undertaking is based on what has been observed since 2016 in relation to the differences in approach by AEs on procurement issues. While some AEs (e.g. the World Bank) undertake a thorough procurement capacity assessment of the implementing parties proposed in the project proposal and identify risk and recommend mitigation strategies as expected, other AEs do not and merely provide a very simplified procurement section that does not provide any major information on how procurement will be governed and the capacity of the implementing entity.

86. **Finance:** The new AE fees policy is tabled for B.18, which includes a number of improvements over the interim policy. Once the policy is approved by the Board, the entire Secretariat will be involved in the implementation of the policy, including in guiding AEs on various aspects of the new policy. As part of the Secretariat's second-level assessment of the funding proposals, the team will be doing the financial management assessment of all the funding proposals to be presented to the Board in 2018. Furthermore, the team will spearhead the development of the document on financial terms and conditions of financial instruments during 2018.

87. The pace of disbursement increased significantly during the first part of 2017. In the period to August USD 55 million was disbursed and total disbursements are expected to reach over USD 200 million for 2017 rising to over USD 800 million for 2018. This has implications both for staffing levels and accounting systems to accurately record, process and account for the increased level of disbursement on a timely basis. It will also impact on the production of the annual financial statements in that it will increase the complexity of the GCF balance sheet and majority of expenditures will be programmatic instead of administrative.

11.1 Human resources/Secretariat structure

88. Both the decisions of the Board and its strategic plan recognize the importance of building adequate institutional capabilities, including building “a well-staffed Secretariat that can deliver all of its functions as provided in the Governing Instrument.”⁸ Consistent with the Board’s 2017 work programme decision and approved budget, the Secretariat has been working on multiple tracks to achieve these goals. As it relates to staffing, the 2017 work programme included as a priority that the Secretariat be authorized to work towards a new staffing goal of 180 to be met as soon as possible but no later than 2018. Therefore it established an ambitious goal of being able to have approximately 140 staff on board by the end of calendar year 2017. We are pleased to say that the Secretariat expects to exceed that goal and it is working towards reaching approximately 180 level by the first quarter of 2018.

89. Further, on the basis of the approved 2017 budget, the Secretariat worked quickly after B.16 to initiate a detailed independent assessment of its current and short-term capacity needs, and the continued suitability of the Secretariat structure relative to the evolving GCF business model. This review was approved by the Board in the context of the 2017 budget and was considered by the Secretariat to be urgent, given that the significant expansion of GCF programmes and the fact that the current structure was put in place in 2013, prior to the development and operationalization of the project/programme cycle. The review was conducted in a comprehensive and professional manner by Dalberg Global Development Advisors, and a summary of the Dalberg report together with the Secretariat’s proposals on related issues are included in document GCF/B.18/10. As it relates to the Secretariat work programme, if the Board endorses the Secretariat proposals on staffing and restructuring, the Secretariat will redouble its efforts to hire high-quality staff, and to map them into the evolving organization in the most effective manner possible. As it relates to expectations for specific staff distribution, the Secretariat will prioritize the hiring of staff to support project/programme/concept note review and processing as well as work in the area of ICT. On the latter, we agree with the findings of Dalberg that further development of the ICT infrastructure will lead to Secretariat-wide efficiencies, and will thereby reduce the rate of future demands for increased staffing.

90. As noted in document GCF/B.18/10, the structural changes being put forward for Board endorsement will present significant opportunities to enhance the Secretariat’s strategic focus and overall management. In particular, the hiring of an experienced stand-alone Deputy Executive Director will enable the effective day-to-day coordination of the evolving GCF programmes, ensure the effective and prudent execution of the 2018 work programme and budget; and, in coordination with the Support Services Division/Human Resources, manage the strategic recruitment of approximately 100 additional new positions. Hiring an experienced and dynamic Deputy Executive Director will free up the Executive Director’s time and allow him to focus more on policy, strategic outreach, negotiation and replenishment-related issues. The establishment of an External Affairs Division will support the coordination of and promote synergies among the numerous relationships that different Secretariat components have with other organizations, governments and civil society. It will also provide essential strategic direction to Secretariat communications, an area that will become even more vital as the GCF moves into its first replenishment phase. The renaming of the Office of the Secretary to the Board (OSB) to Governance Affairs is more than cosmetic, and reflects what will be a strengthened ability to act as a centre of knowledge management for governance issues related to the Board, including serving as an institutional memory for new Board members and Co-Chairs and the tracking of all Board decisions. It will also support the Secretariat’s efforts to maintain strong relations with the UNFCCC and to implement the framework on complementarity and coherence with a view to building relationships with other climate funding bodies and effectively leveraging GCF resources to maximize climate benefits. Finally, the establishment of anchor positions to help coordinate strategic planning and knowledge

management systems will help to ensure that the many related efforts being undertaken throughout the Secretariat are well coordinated, properly monitored and mutually supportive. These changes, together with a more formalized and accountable joint work programming process will help to strengthen collaboration and improve lateral communications between and among the Secretariat's three substantive divisions (CPD, DMA and PSF).

91. **Enhanced onboarding and training:** Creating new structures and contracting new staff are important tasks but they must be supported by a thorough introduction and induction to their new frameworks so that they can become quickly effective and engaged with their work. An organizational induction programme is now running at regular intervals, and this is supplemented by support and coaching from managers on the job requirements. This programme will continue in 2018 and will be enhanced in line with the growth of the organization. This effort will also be supported by the new Secretariat Operations Manual, which will evolve to support both the new structure and new Board policies. Moreover, new staff are very often accompanied by their families and care is taken to help them settle in. With our partners, the City of Incheon, who offer a generous welcome package, we are able to support families with information and practical help. We are planning to enhance this support via the procurement of a professional relocation services agency in 2018, as the influx of additional staff and their families will call for increased capacity in this area.

92. While focus has been (and will continue to be) on recruiting new staff and helping them and their families to settle into Songdo, we are also making sure that existing staff are able to keep their professional skills and knowledge up to date. This is not only to maintain and expand the capacity of the Secretariat, but also to engage and retain our staff for whom professional and career development are critical. 2017 was the first year that a budget was specifically set aside for learning and training, and this will be continued and expanded in 2018 onwards, with significant investments in individual training plans to fill skills gaps, and professional development initiatives. A number of divisions are planning substantial technical training programmes to make sure their staff have the optimum skills and knowledge for their roles. Many of these training opportunities will be made available to all Secretariat staff. Learning and training in 2018 will be led by a newly hired talent management specialist, whose main role will be to facilitate organizational and individual training/learning initiatives.

XII. Risk, audit, and legal functions

93. **Risk management and compliance:** The publication of the Risk Dashboard starting in 2018 will provide the Board and the GCF senior management team with the information needed to monitor and make informed decisions with respect to the risks identified in the Risk Register and the risk tolerances of the GCF, established in the Risk Appetite Statement. In 2018, the funding proposal review process will also incorporate a project success rating and a credit risk rating, which can be used for portfolio reviews and funding proposal risk assessments. The successful implementation of the components of the risk management framework supports the GCF objective to review more funding requests and increases the efficiency of the reviews, which will lead to greater climate impact.

94. Another priority of the function in 2018 is the development and implementation of the compliance target operating model, covering its mandate, strategy and a definition of roles and responsibilities to assign clear ownership either to the compliance function or other related groups.

95. **Internal audit:** The Office of the Internal Auditor (OIA) developed the risk-based three-year internal audit plan for 2017–2019 earlier in 2017, and is currently in the process of implementing it.

96. The OIA will continue auditing units of the GCF Secretariat. The current plan is to audit the following units in 2018:

- (a) Portfolio Management Unit;
- (b) ICT and Security Unit (within DSS);
- (c) Office of Governance and General Counsel;
- (d) Procurement and Travel Unit (within DSS); and
- (e) Office of Risk Management and Compliance.

97. **Legal support:** Virtually every segment of the work of the GCF benefits from legal assistance, and as the work of the GCF grows, related assistance remains critical. In particular, legal support will continue to be vital in 2018 in the negotiation of the AMAs and FAAs that enable projects to move forward towards implementation. In addition, legal counsel to the Board and the new Co-Chairs will remain important in 2018, as will ongoing assistance in the implementation of the Governing Instrument, Board decisions and Board policies. Legal assistance is also vital to the operation of the Secretariat itself, and in 2018, the Secretariat will benefit from legal support in such areas as HR and procurement. Finally, during 2018 the Secretariat's legal expertise will work towards increasing the number of privileges and immunities agreements between the GCF and countries.

XIII. Proposed 2018 administrative budget of the GCF

98. The activities of the Board, the Secretariat, and the services provided by the Interim Trustee are supported through an administrative budget approved by the Board against the funds available in the Green Climate Fund Trust Fund (GCF Trust Fund) established by the Interim Trustee. The following sections propose the administrative budget for the period 2018 to support the operations of the GCF during this period by:

- (a) The Board;
- (b) The Secretariat; and
- (c) The Interim Trustee.

99. It also includes the budget for estimated staff costs for Board-approved positions for the periods 2019 and 2020.

100. The 2018 budget has been developed in collaboration with relevant divisions and offices of the Secretariat, and is based on their proposed activities for 2018, and estimates provided by the Interim Trustee. The GCF senior management team played a strong challenge function when reviewing individual divisional/office budgets. The budget was also reviewed by the Budget Committee and incorporates their feedback.

13.1 Summary 2018 draft Budget

101. In total the proposed 2018 administrative budget is USD 63.6 million as set out in table 4. This represents a total increase of USD 16.8 million or 36 per cent over the approved 2017 budget for the Board, the Secretariat and the Interim Trustee.

102. Approximately 83 per cent (USD 13.9 million) of the proposed increase relates to the cost of the additional positions¹ as requested by GCF divisions/offices to implement their 2018 work programmes. The number of requested positions is towards the lower end of the staffing

¹ The budget assumes that approximately 160 staff will be on board by the end of 2017 and 250 by the end of 2018.

range as proposed by Dalberg in their report “Accelerating the Capacity Building of the GCF Secretariat”. The remaining amount of USD 2.9 million comprises increases of USD 0.2 million for Board expenditure, USD 2.1 million for the Secretariat budget (mainly ICT and communications) and USD 0.6 million for the Interim Trustee. Details are set out below. The estimated staff costs for 2019 and 2020, based on staffing level of 250, amounts to USD 42.5 million and USD 44.3 million respectively.

Table 4: Proposed administrative budget for the period 2018 (in United States dollars)

	2017 Approved at B.16	Draft 2018 Projection	Increase/ (decrease) in 2017 draft budget over approved 2016	% change
1 Board	3,186,305	3,337,046	150,741	5
2 Secretariat	42,471,526	58,473,960	16,002,434	38
3 Interim Trustee	1,126,240	1,747,000	620,760	55
Total (1+2+3)	46,784,071	63,558,006	16,773,935	36

13.2 Board

103. The costs relating to the Board, detailed in table 5, cover expenditures associated with:

- (a) Logistical arrangements for and travel to Board meetings;
- (b) Co-Chair and Board representative travel on GCF related missions; and
- (c) Inter-sessional meetings of Board committees, panels and working groups; including the costs of the Accreditation Panel and the Technical Advisory Panel.

Table 5: Board: Proposed administrative budget for the period 2018 (in United States dollars)

	2017 Budget approved at B.16	2018 Draft budget	Increase/ (decrease) in 2018 draft budget over approved 2017	% change
1 Board meetings				
1.1 Board representative travel	1,087,680	1,120,310 ^a	32,630	3
1.2 Venue and logistics	391,400	403,142	11,742	3
Subtotal: Board meetings	1,479,080	1,523,452	44,372	3
2 Co-Chair and Board representative travel				
2.1 Co-Chair and Board representative travel	23,175	23,870	695	3
Subtotal: Co-Chair and Board representative travel	23,175	23,870	695	3
3 Board committees, panels and working groups				
3.1 Board representative travel	326,510	336,305 ^b	9,795	3
3.2 Venue and logistics	10,300	10,609	309	3
3.3 Compensation of Board panels: Accreditation Panel	605,640	623,809 ^c	18,169	3
3.4 Compensation of Board panels: Technical Advisory Panel	741,600	819,000 ^d	77,400	10
Subtotal: Board committees, panels and working groups	1,684,050	1,789,724	105,674	6
Total (1+2+3)	3,186,305	3,337,046	150,741	5

^a 12 Board members, 12 alternate members and 24 advisers to attend each per meeting.

^b Assumes six members of the Accreditation Panel and Technical Advisory Panel travelling to three Board meetings per year in addition to three one-week missions for pre-Board technical session; two Accreditation Panel members making six site visits; and three Private Sector Advisory Group meeting.

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

^d Assumes six panel members on monthly fixed honoraria rates.

104. In aggregate, the proposed budget for the Board in 2018 shows an increase of USD 0.15 million or 5 per cent over the 2017 approved budget. This comprises an increase of USD 77,400 or 10 percent for the costs of the Technical Advisory Committee (to bring their budgeted costs into line with signed contracts) and a general increase of 3 per cent in other line items. The proposed increase of 3 per cent is in line with standard budget practice.

105. The costs associated with the meetings logistics have been budgeted on the assumption that there will be three Board meetings in 2018 together with an informal meeting and that three of the four meetings will be held at the GCF Headquarters, with the other meeting held outside of Headquarters.²

106. The costs associated with Board committees, panels and working groups are budgeted in line with the 2017 expected costs. In addition, members of the Accreditation Panel will again be expected to undertake site visits in 2018. As in 2017, virtual meetings will be the preferred mode of operation.

13.3 Secretariat

107. The proposed budget for the Secretariat is set out in table 6. It includes the costs for staff, consultancies, travel and operational/contractual services required to support the work plan of the Secretariat for 2018.

Table 6: Secretariat: Proposed administrative budget for the period 2018 (in United States dollars)

	2017 Budget approved at B.16	Draft 2018 budget	Increase/ (decrease) in 2018 draft budget over approved 2017	% change
1 Salaries and consultants				
1.1 Full-time staff	24,143,451	38,037,342	13,893,891	58
1.2 Consultants	3,866,920	2,891,250	(975,670)	(25)
Subtotal: salaries and consultants	28,010,371	40,928,592	12,918,221	46
2 Travel				
2.1 Travel	1,569,500	2,322,500	753,000	48
2.2 Secretariat staff travel – Board meeting	267,800	275,834	8,034	3
Sub-total: travel	1,837,300	2,598,334	761,034	29
3 Contractual services, general operating, and info. technology costs				
3.1 Office utility costs	300,000	309,000	9,000	3
3.2 Contractual services	7,500,000	7,525,573	25,573	0
3.3 Other operating costs	475,000	489,250	14,250	3
3.4 Communication and printing	315,000	1,063,018	748,018	237

² This assumption is made for the purpose of budgeting and does not pre-empt Board decisions on either the number or venue of meetings in 2018.

	2017 Budget approved at B.16	Draft 2018 budget	Increase/ (decrease) in 2018 draft budget over approved 2017	% change
3.5 Information and communication technology	3,183,855	4,690,000	1,506,145	47
3.6 Depreciation	850,000	870,193	20,193	2
Subtotal: contractual services, general operating, and info. technology costs	12,623,855	14,947,034	2,323,179	18
Total (1+2+3)	42,471,526	58,473,960	16,002,434	38

108. The preparation of the draft 2018 budget is based on a number of factors. These include:

- (a) The development of the detailed 2018 work programme and the Secretariat's divisions/offices best estimate of the resources required to carry out their respective 2018 work programmes. In particular it takes into account the need to provide technical support to countries and direct access entities in their efforts to develop and submit good high-quality funding proposals. At present, CPD and DMA are working closely to support 10 countries and 10 direct access entities but with the growing need for more country-centred approaches and country-focused origination a scaling up of these efforts are required. It also takes into account the need to clear the current backlog of accreditation and funding proposals;
- (b) The recent study carried out by Dalberg on "Accelerating the Capacity of the Secretariat" which is presented as annex III under Board document GCF/B.18/10 titled "Structure and staffing of the Secretariat". The study concluded a staffing capacity projection of between 238 under a low scenario to 294 under a high scenario for 2018;
- (c) The need to increase the level of back office functions to support the larger operational units;
- (d) The creation of an External Relations Division; and
- (e) A strong challenge function by the senior management team in challenging each division/office to justify their requested budgets.

109. **Staffing:** Decision B.12/27 noted that "the current workload is being carried out by a complement of 56 regular Secretariat staff and approximately 33 long term consultants and acknowledges that this situation is unsustainable and should be addressed as a priority".

110. It further noted the need to increase the number of regular staff in the Secretariat to an approximate total of 100 by the end of 2016 and to further increase to a total of approximately 140 by the end of 2017, taking into account the ability of the Secretariat to recruit and absorb the increasing staff numbers, following the appropriate processes. It is now likely that a total of 140 staff will be reached by B.18.

111. The Dalberg report recommended a 2018 staffing range of between 238 and 294 for 2018.

112. The staffing budget for 2018 has been prepared based on GCF division/office inputs of their estimated requirement to implement their 2018 work programmes. The total is for 250 staff. This number lies towards the lower end of the Dalberg range for 2018.

113. The total salaries budget requested for 2018 is USD 38,037,342. This represents an increase of USD 13,893,891 or 58 per cent. The requested budget assumes that 160 staff will be on-board by the end of 2017 and 250 by the end of 2018.

114. The requested additional staff will be recruited in a phased manner during the latter part of 2017 and throughout 2018. As noted in footnote 1, it is assumed that an additional 20 staff will be recruited by the end of 2017 and an additional 90 staff by the end of 2018, bringing the total staffing level to 250. Table 7 sets out the phasing of staff recruitment, broken down by project cycle-related and non-project cycle-related staff, together with costs.

Table 7: Phasing of staff recruitment and estimated budget

	2018				Total
	Q1	Q2	Q3	Q4	
Staff					
Project cycle-related	15	16	16	15	62
Non-project cycle-related	7	7	7	7	28
In staff category (budget USD thousands)					
IS	17 (3,743)	17 (2,807)	17 (1,872)	17 (936)	68 (9,358)
AS	5 (452)	6 (407)	6 (271)	5 (113)	22 (1,244)
Total	22 (4,196)	23 (3,215)	23 (2,143)	22 (1,049)	90 (10,602)

115. The estimated costs of the 250 staff positions are USD 42,289,607 and USD 44,107,723 for 2019 and 2020, respectively.

116. **Consultancy costs** comprise the hiring of individual consultants. Professional service firms who provide consultancy services are budgeted under the line item contractual services. Individual consultancies are made up of full-time consultants based in Songdo (staff consultants) for periods of three months upwards and consultants who provide services remotely on a call basis. The Board, in approving the 2017 budget and the additional staffing numbers, tasked the Secretariat with reducing consultancy costs going forward.

117. Consultants are budgeted at USD 2.9 million against the 2017 budget of USD 3.9 million and estimated actual costs of USD 5 million for 2017. The proposed 2018 budget shows a reduction of USD 1 million or 25 per cent against the 2017 budget and USD 2.1 million or 42 per cent against the projected 2017 actual expenditure.

118. The total of USD 2.9 million comprises staff consultants of USD 0.6 million and remote consultants USD 2.3 million.

119. Time sheet consultants are required to provide additional expertise in technical areas where the relevant division does not propose to hire staff itself.

120. **Travel:** Staff travel is budgeted at USD 2.6 million, of which USD 2.35 million is to support the work programme of the Secretariat and USD 0.25 million for staff members supporting the Board meeting outside of Songdo.

121. The travel budget of USD 2.35 million represents 11 per cent of non-staff costs and is in line with other international organizations. For example, travel costs as a percentage of non-staff costs are 13 per cent for World Intellectual Property Organization and 17.9 per cent for Pan American Health Organization. This proposed budget of USD 2.35 million reflects the need for staff to undertake missions for outreach and awareness-raising, as needed in countries and partner institutions and also takes into account the large increase in staffing levels in 2018. At the same time it takes into account the increasing awareness within the GCF Secretariat for staff to conduct business through virtual meetings wherever possible.

122. **Utility costs** are estimated at USD 0.3 million. These comprise utility costs for the headquarters eight floors which will be occupied by GCF in 2018. The requested increase is in line with normal inflationary increase.

123. **Contractual services** represents the cost of contracting professional service/consultancy firms to supplement the substantive work programme of the Secretariat in 2018.

124. The proposed budget is USD 7.5 million. This is a similar level to that approved for 2017. The 2017 approved budget represented an increase of USD 3 million over 2016. The Board noted, in approving the increase for 2017, that the level of USD 7.5 million should not become the new norm. However, some of the work proposed to be undertaken in 2017 has been delayed (country programming advisory services, external counsel for funded projects) and will now be undertaken in 2018. Thus the Board is again requested to approve a budget of USD 7.5 million.
125. The main components and outputs by operating division are as follows:
- (a) The CPD budget includes an amount for USD 2.1 million for professional services to provide country programming advisory services, to assess applications for accreditation, and to develop environmental and social safeguards/gender tools;
 - (b) The USD 1.1 million budgeted under Office of the General Counsel comprises an amount of USD 0.7 million for external legal due diligence, review and drafting of funded activity agreements and related project documentation (subscription agreements, deeds of incorporation, shareholders agreements, etc), advice on local laws and the issuance of legal opinions. These services will as a rule need to be rendered after the Board has approved a funding proposal. In addition, USD 0.4 million is requested for legal advice on institutional matters (both international and Korean law firms) where the Secretariat does not have the in-house expertise and for translation services;
 - (c) The Private Sector Facility Division budget includes an amount of USD 0.75 million for the provision of technical advisory services. This will support the development of a business plan for the Division and for the provision of support to direct access private entities seeking accreditation;
 - (d) The budget for the DMA includes an amount of USD 0.3 million for the provision of technical advisory services. The increasing amount of funding proposals and concept notes will require additional capacities to conduct second-level due diligence, technical and compliance reviews. The Division foresees receiving support from specialized firms for conducting part of the review process, enabling the division to manage a larger number of proposals for more specialized areas which may not be covered by the professional profile of the new staff that will be joining the team during the next three to six months
 - (e) The Office of Risk Management budget includes an amount of USD 1.5 million for the continuing development of comprehensive risk and compliance policies/rating methodologies and for other consulting services requiring a third-party opinion. It should be noted that the budget allocated for some of these services in 2017 was not utilized in 2017; and
 - (f) The Support Services Division/Chief Financial Officer budget includes an amount of USD 1.4 million for a range of services, which includes: human resource professional recruitment firms; research on the establishment of the replenishment process; a review of contribution policy; and audit services.
126. **Other operating costs:** Miscellaneous costs such as office supplies, bank charges, insurance, in-house workshops, and so on, amounting to USD 0.5 million has been proposed.
127. **Communication:** The communications work in 2018 assumes the creation of a new External Affairs Division. It will focus on two overarching goals: firstly to raise awareness and encourage, support and promote collaboration among key stakeholders of the GCF; and secondly to use communications to achieve the objectives of the GCF.
128. It also includes a budget of USD 0.6 million for a “Climate Frontiers” conference. This is a proposed high-level stakeholder conference that GCF could convene in 2018 to help nurture the global dialogue on climate investments. This forum could be organized in partnership with

existing and potential new partner institutions that would co-sponsor the event. Depending on the calibre and format of the gathering, the conference would likely incur cost of approx. USD 1.4 million of which GCF would contribute USD 0.6 million. The organization of such an event would be outsourced to a professional firm for international conference services.

129. **Information and communication technology (ICT):** The 2018 budget is based on best practices for organizations operating in the public sector. For example, a metric derived from the Gartner benchmark estimates average ICT costs for organizations operating in the public sector. Gartner's applicable ICT budget benchmark for national/international governmental organizations such as the GCF is 11.7 per cent of corporate total. For 2018, the IT systems budget, excluding staffing costs, is USD 4.7 million (8 per cent) together with a depreciation charge of USD 0.85 million.

130. The primary focus will be to continue the implementation of systems (set out below) previously begun in 2017. The most important projects are:

- (a) Integrated Portfolio Management System;
- (b) Monitoring and evaluation management system;
- (c) Organizational performance management system;
- (d) Readiness and partnering systems and tools;
- (e) A contributions and cash management system;
- (f) A risk and quality management system;
- (g) Human resource management system;
- (h) eProcurement portal;
- (i) Content management system; and
- (j) Online volunteer knowledge-sharing platform.

131. **Depreciation:** Includes the annual depreciation costs for systems developed in 2016 and 2017:

- (a) Software and hardware;
- (b) Board room equipment; and
- (c) Computer equipment.

13.4 Interim Trustee

132. The administrative budget for the Interim Trustee shown in table 8 includes the estimated costs and expenses of the International Bank for Reconstruction and Development (the World Bank) for the Interim Trustee services of the GCF as estimated by the Interim Trustee. Actual costs for 2018 will depend on the level of services required and may also be adjusted dependent on a Board decision regarding the appointment of a permanent trustee.

Table 8: Interim Trustee, Estimated costs and expenses for the period 2018 (in United States dollars)

	2017 budget	2018 budget	Increase/ (decrease) in 2018 draft budget over approved 2017	% change
1 Financial and programme management				
1.1 Staff costs and expenses	320,040	340,000	19,960	6
1.2 Travel	48,400	40,000	(8,400)	-17
Subtotal: financial and programme management	368,440	380,000	11,560	3
2 Investment management	595,000	1,264,000	669,000	112
3 Accounting and reporting				
3.1 Staff costs and expenses	33,000	33,000	-	0
Subtotal: accounting and reporting	33,000	33,000	-	0
4 Legal services				
4.1 Staff costs and expenses	95,700	60,000	(35,700)	-37
4.2 Travel	34,100	10,000	(24,100)	-71
Subtotal: legal services	129,800	70,000	(59,800)	-46
Total (1+2+3+4)	1,126,240	1,747,000	620,760	55

133. **Financial and programme management:** These items cover: processes and procedures relating to all aspects of financial transactions; management and processing of contributions, including negotiation and execution with contributors, all banking, foreign exchange, payment requests and acknowledgements; executing cash transfers to recipients; regular financial reporting and activities related to preparation of financial statements and external audit. It also includes responding to day-to-day enquiries from Secretariat, contributors and other GCF constituencies and stakeholders, and ad hoc advisory services to the Secretariat on specific issues, as requested. The level of effort required for these items is expected to remain at or slightly above that required in 2017. The increase is in line with staff salary increases.

134. **Investment management:** The World Bank Group charges a flat fee of 3.5 basis points (0.035 per cent) of the estimated average annual undisbursed balance in the GCF Trust Fund for investment management services for trust funds. For the purpose of the budget estimate, an average balance of USD 3.6 billion for CY2018 is assumed based on information included in GCF documents and estimated year end balances. The actual fee will depend on the actual average balances in the GCF Trust Fund during 2018, which may be higher or lower than this estimate depending on timing of cash contributions, GCF requests for cash transfers and so on.

135. **Accounting and reporting:** This item includes maintenance of appropriate records and accounts to identify contributions and other receipts and GCF Trust Fund liabilities.

136. **Legal services:** These items include the preparation of contribution agreements/arrangements with contributors and other agreements and arrangements as required, including with the GCF, and the review of documents of the GCF given their impact on the role of the Interim Trustee. The expectation in 2018 is that there will be a decrease in legal services from the Interim Trustee.

Appendix I: Administrative budget of the Green Climate Fund for 2018

Items		Budget 2018 (USD)
1	Board	
1.1	Board meetings	1,523,452
1.2	Co-Chair and Board representative travel	23,870
1.3	Board committees, panels and working groups	1,789,724
Sub-total: Board		3,337,046
2	Secretariat	
2.1	Salaries and consultants	40,928,592
2.2	Travel	2,598,334
2.3	Contractual services, general operating, information technology costs	14,947,034
Sub-total: Secretariat		58,473,960
3	Interim Trustee	1,747,000
Grand total		63,558,006

Appendix II: Policy related reports requested of the Secretariat in the 2018 work plan of the Board

1. Presentation of the annual assessment of the application of the country ownership guidelines (*Decision B.17/21, para. (c)*)
2. Adoption of a policy on co-financing (*Decision B.17/10, para. (c)(iii)*)
3. Presentation of ToR for request(s) for proposals for the remainder of the allocation for the MSME pilot programme (decision B.13/22, para. (f))
4. Adoption of fiduciary compliance and integrity policies - (Decisions B.12/31, para. (i), B.14/01, para. (e), and B.15/13)
5. Integration of policies relating to prohibited practices, anti-money laundering and countering the financing of terrorism in the interim fiduciary standards (*Decision B.14/01, para. (f)*)
6. Commencement of the review of the initial fiduciary standards (*Decision B.14/08, para. (f)*)
7. Presentation of the environmental and social management system
8. Presentation of method and criteria for the prioritization of entities applying for accreditation (*Decisions B.14/08, para. (d)(ii), and B.17/01 (b), (xi)*)
9. Presentation of modalities for the use of third-party evidence in the accreditation process (*Decision B.14/08, para. (e), and B.17/01 (b), (xii)*)
10. Presentation of findings of the assessment, including a gap analysis of the Adaptation Fund's environmental and social policy and gender policy and recommendations on potential accreditation and fast-tracking (*Decision B.14/08, para. (e)(iii), and B.17/01 (b), (xiii)*)
11. Presentation of consolidated country and entity work programmes - (*Decision B.17/05, para (c)*)
12. Presentation of findings of the additional analysis of potential investment priority areas to identify specific result areas where targeted GCF investment would have the most impact
13. Adoption of risk rating models - (*Decision B.17/11, para (f)*)
14. Adopt a decision on cases where high-level and low-level concessional terms will apply for the public sector work
15. Development and application of incremental cost calculation methodology and/or alternative methodologies - (*Decision B.17/10, para. (c)(i)*)
16. Options for further guidance on concessionality - (*Decision B.17/10, para. (c)(iv)*)
17. Guidance and scope for providing support to adaptation activities - (*Decision B.17/10, para. (c)(ii)*)
18. Adoption of a simplified process for approval of proposals for certain activities, in particular for small-scale activities
20. Consideration of options for the development of a two-stage proposal approval process (*Decision B.17/09, para. (g)*)
21. Defining the nature, scope and extent of second-level due diligence by the Secretariat (*Decision B.17/09, para. (o)*)
22. Update to the project and programme activity cycle as contained in decision B.17/09, annex IV (*Decision B.17/09, para (n)*)

23. Comprehensive restructuring and cancellation policy (Decisions B.07/03, para. (e), and B.17/09, para. (p))
24. Further development of some indicators in the performance measurement frameworks
25. Consideration of alternative policy approaches for the integral/sustainable management of forests
26. Recommendations for modalities to fast-track accreditation of private sector entities (*Decision B.17/06, para (e)*)
27. Presentation of PSAG recommendations on the development of a private sector outreach plan (*decision B.13/05, para. (d), B.BM-2017/02*)
28. Consideration of PSAG recommendations on opportunities to engage private sector, including local actors, in adaptation at national, regional and international levels
29. Mobilization of private sector finance to progress GCF forestry-related results areas
30. Consideration of the review of the structure and staffing of the Secretariat, including a proposal on Secretariat staffing for communications and outreach (*Decision B.13/25, para. (e)*)
31. Approval of the work programme of the Secretariat for 2019
32. Presentation of the unaudited financial statements for 2017
33. Approval of the audited financial statements for 2017
34. Approval of the administrative budget of the Board and Secretariat for 2019
35. Consideration of options for the timely consideration of funding proposals between meetings (*Decision B.17/09, para (m)*)
36. Presentation of a Code of conduct for the Accreditation Panel
37. Presentation of findings of the review of the structure and effectiveness of the independent Technical Advisory Panel (*Decisions B.10/09, para. (d), B.14/01, para. (h) and B.15/06 para. (c), and B.17/01 (b)(i)*)
38. Adoption of ToRs for the performance review of the TAP members (*Decision B.09/10, annex XII*)
39. Presentations of options for a mechanism to draw on appropriate scientific and technical advice
40. The terms of reference for the Permanent Trustee; selection process and criteria, approval of announcement
41. Presentation of the recommended final nominee to the Board for its decision (*Decision B.16/05, annex II*)
42. Presentation of a comprehensive 2017 annual status report on the implementation of the strategic plan (*Decisions B.12/20, para. (d), and B.17/05, para (d)*)
43. Adoption of a communications strategy - (Decisions B.04/13, B.11/15, B.13/25, para. (f), and B.17/01)
44. Presentation of ToRs for the review of committees, panels and groups
45. Presentation of work programmes of committees and panels that include actions outlined in the strategic plan (*Decisions B.12/20, para. (f), B.BM-2017/02, and B.17/01, para. (b)(i)*)
46. Presentation of findings of the review of committees, panels and groups
47. Review of the webcasting service (*Decision B.12/35, para. (g)*)

48. Establishment of the independent appeals panel (*Decision B.12/35, annex XXIX, para.28*)
49. Presentation of recommendations on the review of the relevant disclosure requirements once the environmental and social management system is developed (*Decision B.12/35, para. (b)*)
50. Presentation of findings of the review of the Gender policy and Gender action plan
51. Adoption of a GCF Indigenous Peoples' Policy
52. Presentation of the outcomes of the review of guidelines on observer participation (*Decisions B.BM-2016/11, B.BM-2017/02*)
53. Presentation of policies on the formal replenishment process
54. Policies and procedures for contributions from philanthropic foundations and other non-public and alternative sources
55. Approve the seventh GCF report to the COP. COP report to include the report of the COP23 annual meeting with the UNFCCC thematic bodies, and updates related to complementarity and coherence with other funds (*Decisions B.13/11 para. (e), and B.17/04, para. (d)*)
56. Annual report presenting of the outputs from the operational framework on complementarity and coherence. Report to be presented in conjunction with the Seventh COP Report (*Decision B.17/04, para. (b)*)

Appendix III: Public Sector Funding Proposals Expected to be Presented to the Board in 2018

As of 2017.08.23

No.	Dummy Name	Region	Theme	Financial Instrument	GCF Amount (million USD)	Co-financing (million USD)	Total (million USD)	Impact Potential	Direct/Int'l access	Stage	Country Programme?	Entity Work Programme?	Developed from CN?	Received PPF support?
1	REDD-plus programme	Multi-region (Asia-Pacific region, Africa, South America)	Cross-cutting	Grant	210.00	150.00	360.00	Direct/Indirect beneficiaries: 550,000 Female beneficiaries %: 50 Lifetime CO2 tons total: 30,000,000	International	Stage4: FP submitted	N/A	No	Yes	No
2	Water Development project	Asia-Pacific region	Adaptation	Grant	40.00	120.00	160.00	Direct Beneficiaries: 388,000 Direct/indirect beneficiaries: 519,000	International	Stage4: FP submitted	N/A	No	Yes	No
3	Energy Efficiency project	Latin America and the Caribbean	Mitigation	Grant, Loans	22.00 (Grant: 2.00 Loans: 20.00)	20.00	42.00	Direct/indirect beneficiaries: 7,652,633 Lifetime CO2 tons Total: 7,174,343 Duration CO2 (years): 478,290	International	Stage4: FP submitted	N/A	No	Yes	No
4	Adaptation project	Africa	Adaptation	Grant	10	4.94	14.94	Direct beneficiaries: 50,000	Direct - national	Stage4: FP submitted	N/A	Yes	Yes	No
5	Off-grid Energy project	Asia-Pacific region	Mitigation	Grant, Loans	57	100	157		Direct - national	Stage4: FP submitted	N/A	No	Yes	No
6	Livelihood resilience project	Latin America and the Caribbean	Cross-cutting	Grant	22.03	15	37.03	Female beneficiaries %: 30 Lifetime CO2 tons total: 2,246,390 Duration CO2 (Years): 320,913	International	Stage4: FP submitted	N/A	Yes	Yes	No
7	Navie vegetation project	Latin America and the Caribbean	Cross-cutting	Grant	50.67	67.14	117.81	Indirect beneficiaries: 9,140 Female beneficiaries %: 47 Lifetime CO2 tons Total: 2,250,000	International	Stage4: FP submitted	Yes	No	No	No
8	Agribusiness project	Asia-Pacific region	Cross-cutting	Grant, Loans	40.00	100.00	140.00	Direct beneficiaries: 390,000 Indirect beneficiaries: 1,950,000 Direct/Indirect beneficiaries: 2,340,000	International	Stage4: FP submitted	N/A	No	Yes	No
9	REDD-plus project	Asia-Pacific region	Mitigation	Grant	38.00	41.00	79.00	Lifetime tCO2 tons total: 7,056,428 Duration CO2 (years): 1,960,000	International	Stage4: FP submitted	Yes	No	Yes	No
10	Renewable energy and efficiency investment	Latin America and the Caribbean	Mitigation	Loans, Grants	102.50 (Grant: 2.5 Loans: 100.00)	60.00	162.50	Lifetime tCO2eq: 4,075,713 Annual Co2eq: 233,508	International	Stage4: FP submitted	N/A	No	No	No
11	Reforestation and afforestation project		Cross-cutting	Loans, Grant	60.9 (Loans: 50 Grant: 10.9)	84.42	145.32		Direct - regional	Stage3: CN submitted	N/A	Yes	No	No
12	Renewable energy project	Asia-Pacific region	Mitigation	Grant	64.37	20.10	84.47	Lifetime tCO2eq: 353,521 Annual Co2eq: 14,141	International	Stage4: FP submitted	No	Yes	Yes	No
13	Sustainable Coastal infrastructure project	Latin America and the Caribbean	Cross-cutting	Grant	26.6	7.2	33.8		Direct - regional	Stage3: CN submitted	No	Yes	Yes	No
14	Enhanced Direct Access adaptation project	Latin America and the Caribbean	Adaptation	Grant	20	0	20		FOR B.18 CONSIDERATION	Stage2: Generation of FP	No	No	N/A	No

									Direct - national					
15	Adaptation project	Asia-Pacific region	Adaptation	Grant	67.2	7.8	75	Direct beneficiaries: 1,27M Indirect beneficiaries: 3M	International	Stage4: FP submitted	Yes	No	Yes	No
16	Water supply system project	Asia-Pacific region	Adaptation	Grant	10.85	76.24	87.09	Total beneficiaries: 235,000 Female %: 52	International	Stage4: FP submitted	N/A	No	No	No
17	Rural green economy project	Africa	Cross-cutting	Grant	46.23	0	46.23	Annual tCO2eq: 21,142 Lifetime tCO2eq: 129,133 Direct beneficiaries: 71,060 (Female%: 50)	Direct - national	Stage4: FP submitted	No	Yes	Yes	Yes
18	Cities programme	Multi-regional (East Europe, Asia-Pacific region, South Europe, Africa)	Cross-cutting	Loan, Grant ¹	181	800.5	981.5	Annual tCO2eq: 1.8M Lifetime tCO2eq: 23.3M Direct beneficiaries: at least 10 cities Indirect beneficiaries: 703,700 daily passenger trips	International	Stage4: FP submitted	N/A	N/A	Yes	No
19	Development and adaptation programme	Africa	Cross-cutting	Grant	67.71	220.51	288.22	Annual tCO2eq: 1.4M Lifetime tCO2eq: 7M Direct beneficiaries: 4M Indirect beneficiaries: 10M	International	Stage4: FP submitted	No	Yes	No	No
20	Building Resilient Communities project	Latin America and the Caribbean	Adaptation	Grant	9.55	0.45	10	Direct beneficiaries: 30,150 Indirect beneficiaries: 27,375	International	Stage4: FP submitted	Yes	Yes	Yes	No
21	Resilient Coastal project	Asia-Pacific region	Cross-cutting	Grant	77.893	0	77.893	Annual tCO2eq: 69,115 Lifetime tCO2eq: 1.382M Direct beneficiaries: 154,000 Indirect beneficiaries: 480,000	International	Stage4: FP submitted	No	Yes	No	No
22	Early Warning System project	East Europe	Adaptation	Grant	26.57	17.29	43.86	Direct beneficiaries: 1.71M Indirect beneficiaries: 3.7M	International	Stage4: FP submitted	N/A	No	Yes	No
23	Cross-cutting programme	Asia-Pacific region	Cross-cutting	Grant	20	TBC	TBC	Lifetime CO2 tons Total: 10.3M	International	Stage4: FP submitted	No	Yes	Yes	No
24	Water Banking project	Africa	Adaptation	Grant	59.6	116.33	175.93	Direct beneficiaries: 430,000 Female beneficiaries %: 51	International	Stage4: FP submitted	Yes	No	No	No
25	Climate Resilience project	Asia-Pacific region	Adaptation	Grant	100	93.34	193.34	Direct beneficiaries: 2.2M Indirect beneficiaries: 19M	International	Stage4: FP submitted	N/A	No	Yes	No
26	Climate resilience project	Asia-Pacific region	Adaptation	Grant	9.52	0.00	9.52	Direct beneficiaries: 50,000 Indirect beneficiaries: 70,000	International	Stage4: FP submitted	N/A	No	Yes	No
27	Resilience of communities and ecosystems project	Africa	Adaptation	Grant	9.9	0	9.9	Direct beneficiaries: 481,322	Direct - national	Stage4: FP submitted	N/A	Yes	No	No
28	Ecosystem-Based Adaptation project	Africa	Cross-cutting	Grant	60	29	89	Direct beneficiaries: 800,000	International	Stage3: CN submitted	No	Yes	No	No
29	Landscape REDD-plus Project	Africa	Cross-cutting	Grant	60	15	75		International	Stage3: CN submitted	Yes	No	Yes	No
30	Watershed management project	Asia-Pacific region	Cross-cutting	Grant	200	48	248		International	Stage3: CN submitted	Yes	No	No	No



31	Resilient project	Asia-Pacific region	Cross-cutting	Grant	50	100	150		International	Stage3: CN submitted	N/A	Yes	No	No
32	Green Integrated Investment Programme	Africa	Cross-cutting	Grant	10	0	10	Total beneficiaries: 115,000 Lifetime CO2eq: 8,280,960 Annual CO2eq: 414,048	Direct-national	Stage4: FP submitted	N/A	Yes	No	No
33	Energy recovery project	Africa	Cross-cutting	Grant	41.1	6.5	47.6	Total tCO2eq: 210,000 Direct beneficiaries: 16,000	Direct-national	Stage3: CN submitted	No	Yes	Yes	No
34	Climate Resilience and Transformational Change project	Asia-Pacific region	Adaptation	Grant	42.567	20.166	62.733	Direct beneficiaries: 20,000 Indirect beneficiaries: 460,000	International	Stage4: FP submitted	N/A	No	No	No
35	Sustainable Transition in Energy Project	Latin America and the Caribbean	Mitigation	Grant	6.6	9.137	15.737	Annual tCO2eq: 5,600 Lifetime tCO2eq: 120,000	International	Stage4: FP submitted	No	No	No	No
36	SIDS Sustainable Transition in Energy Programme	Multi-region	Mitigation	Grant	32.878	8.928	41.806	Annual tCO2eq: 1,041,437 Lifetime tCO2eq: Direct: 6.14M / Indirect: 26.03M Total beneficiaries: 6.8M	International	Stage4: FP submitted	No	No	No	No
37	Vulnerable coastal and livelihoods project	Africa	Adaptation	Grant	33.68	2.7	36.38	Direct beneficiaries: 128,530 Indirect beneficiaries: 449,854	International	Stage4: FP submitted	N/A	No	Yes	No
38	Coastal Resilience Project	Asia-Pacific region	Adaptation	Grant	48.40	1.20	49.60	Direct beneficiaries: 4,233 Indirect beneficiaries: 14,961	International	Stage4: FP submitted	Yes	No	No	No
39	Agricultural Insurance programme	Latin America and the Caribbean	Adaptation	Grant	18.00	2.00	20.00	Total beneficiaries: 55,000	International	Stage4: FP submitted	N/A	No	Yes	No
40	Resilient Water project	Latin America and the Caribbean	Adaptation	Grant	37.6	6.7	44.3		International	Stage4: FP submitted	Yes	Yes	Yes	No
41	Climate resilience of livelihoods project	Africa	Adaptation	Grant	47.8	5.5	53.3	Direct beneficiaries: 946,153 Indirect beneficiaries: 5,329,570	International	Stage4: FP submitted	N/A	No	No	No
42	Climate-Related Natural Disasters Project	Latin America and the Caribbean	Adaptation	Grant	15.4	32.7	48.1	Direct beneficiaries: 72,838 Indirect beneficiaries: 2,720,000	International	Stage4: FP submitted	Yes	Yes	No	No
43	Agriculture and food security project	Latin America and the Caribbean	TBC	TBC	TBC	TBC	TBC		International	Stage2: Generation of FP	No	No	N/A	No
44	Private sector REDD-plus	Latin America and the Caribbean	Cross-cutting	Grant, equity, loans	100	200	300			Stage2: Generation of FP	No	No	N/A	No
45	REDD-plus bonds	Latin America and the Caribbean	Cross-cutting	Grant, equity, loans	150	650	800		International	Stage2: Generation of FP	No	No	N/A	No

Appendix IV: Results Framework¹

OUTCOME					
On-time execution of the delivery of the GCF Strategic and Board Work Plan 2018 is supported by the Secretariat Work Programme 2018					
Total est. FTE: 250 Est. Direct FTE: 182 Est. Indirect FTE: 68		Assumptions: 1. Geo-political and economic circumstances are not unfavourable to GCF's mandate. 2. Continued strong Board support to the Fund.			
Outcome KPI	Description	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
Outcome KPI 1.1	Key measures of the Strategic Plan Prioritized and implemented	Planned	Number and volume of approvals a) Number of Direct Access Entities: 27 (50% of all entities) b) Total GCF funding proposals approved (as of B.17): USD 2.25 billion (cumul) i. Public Sector: USD 1.05 billion (cumul) ii. Private Sector: USD 1.2 billion (cumul) c) Volume of PPF funding: USD 2.7 million (approved/endorsed) d) Volume of adaptation planning funding: USD 23 million (approved/endorsed) e) Volume of readiness support (excluding adaptation planning) funding: USD 39.5 million f) Private sector MSME pilot program funding (B.17): USD 32.2 million g) Adaptation portfolio balance in line with the decisions on resource allocation (B.17): 80% of the committed GCF funding for adaptation targets LDCs, SIDS, and African States	Number and volume of approvals a) Number of Direct Access Entities: At least 50% of all entities (10-20 additional) b) Total GCF funding proposals approved: USD 2.2-2.8 billion i. Public Sector: USD 1-1.3 billion ii. Private Sector: USD 1.2-1.5 billion c) Volume of PPF funding: USD 14-15 million d) Volume of adaptation planning funding: USD 100 million e) Volume of readiness support (excluding adaptation planning) funding: USD 30-40 million f) Private sector MSME II: USD 80-100 million Private sector MFS: USD 450-500 million	1. Progress report on the implementation of the readiness and preparatory support program 2. Status report on the PPF requests received as part of the activities of the Secretariat report 3. Compilation of Country and Entity Work Programs 4. Report of the PMU 5. Reports on the status of Accreditation Master Agreements (AMAs) at each Board meeting
		Estimated FTE	Total FTE 250		
Outcome KPI 1.2	Work Program and Budget of the Secretariat approved	Planned	Work Program and Budget 2017: Approved at B.16	Work Program and Budget 2018: Considered and endorsed by the Board; implemented.	1. Decision related to Work Program and Budget 2018

¹ This is a tool work in progress.

Cross Cutting

Output 1: Outputs from cross-cutting indicators below

Assumptions:

1. Establishment and implementation of cross-divisional working groups, such as Knowledge Management and ICT Steering Group, Operations Committee, Terms and Conditions Committee

Output KPI	Description	Phase	Baseline (Sept 2017)		Target (Dec 2018)		Means of Verification
Output KPI 1.1	Review of concept notes (DMA, PSF, DCP)	Planned	a) Number of CNs reviewed: 109 (in current pipeline; cumul)	a) Number of CNs reviewed: 220-250 (incl. up to 150 related to the GCF pilot programme RFPs) - while promoting use of new CN template			1. Template available on website; concept note work analyzed.
		Estimated FTE	Direct: Part of Output KPI 1.7				
Output KPI 1.2	Enhanced capacity of a targeted group of DAEs and support their development of high-quality DAE proposals and aligned work programmes (DCP, DMA, PSF)	Planned	a) DAEs assisted generally through readiness programme b) Number of DAE projects for Board's consideration: 14, incl. 2 EDA proposals (including those presented at B.18) c) DAE work programmes in initial iteration	a) At least 15 DAEs designated for enhanced strategic engagement b) 8 high-quality DAE projects (incl. 6 EDA proposals) c) DAE work programmes contain related projects and are forward-looking			1. Review of reports on targeted country work and list of projects for Board's consideration 2. Quality factors to include # of related proposals came from CNs, that were included in country programmes and entity work programmes 3. Review of DAE work programmes 4. Ratio of Board submissions reviewed by the Secretariat
		Estimated FTE	Direct: 2				
Output KPI 1.3	IAE engagement initiatives (DCP, DMA, PSF)	Planned	a) General support to all AEs b) Low baseline for country programmes	a) Enhanced engagement with at least 10 IAEs b) Higher alignment to national priorities			1. Review of IAE work programmes and related country programmes/projects submissions 2. Mapping of IAE projects and country programmes 3. Enhanced partnership with DAE
		Estimated FTE	Direct: 4.5				
Output KPI 1.4	Country engagement initiative (DCP, DMA, PSF)	Planned	a) Country programme and additional support given to countries that request assistance b) Low number of high-quality country programmes	a) Enhanced and coordinate engagement with at least 20 countries in 2018 b) 10 country programmes which are climate-focused and have gone through national consultation processes			1. Review of country programmes and listed project ideas of countries targeted through the initiative
		Estimated FTE	Direct: 7				

Output KPI	Description	Phase	Baseline (Sept 2017)		Target (Dec 2018)		Means of Verification
			Planned	Estimated FTE	Planned	Estimated FTE	
Output KPI 1.5	Web portal initiative (DCP, DMA, PSF, DSS, Communications)	Planned	Initial demo to be shared with the Board at B.18		Operation of web portals for all GCF countries and AEs in 2018 enabling them access to up-to-date information		1. Review of numbers and content of web portals on 31/12/2018
		Estimated FTE	Direct: 3				
Output KPI 1.6	Increased number of approved projects that have negotiated AMAs and FAAs and begin 1st disbursement; Increased total aggregate disbursements on approved projects (PSF, DMA, OGC, ORMC, DSS, DCP)	Planned	a) Number of proposals with negotiated AMAs and FAAs and begun disbursements: 17 b) Projected 2017 aggregate disbursement of USD 230m on proposals approved through B.16		a) 35 out of 45 b) GCF accumulated aggregate disbursement of USD 750m-837m on proposals approved through B.16		1. Evaluation of project and disbursement data at the end of 2018
		Estimated FTE	Direct: 24				
Output KPI 1.7	Review of proposal submissions; Increased number and volume of FPs (DCP, DMA, PSF, OGC, ORMC, DSS)	Planned	a) Number of FPs sent to and reviewed by the Secretariat: 74 (in current pipeline; cumul) b) Number of proposals for Board's approval: 26 c) Volume: USD1.3b		a) Number of FPs sent to and reviewed by the Secretariat: 185 (cumul) b) Number of proposals for Board's approval: 40-55 c) Volume: USD2.2-2.8b		1. Evaluation of project and disbursement data at the end of 2018 2. Analysis of projects approved by the Board in 2018
		Estimated FTE	Direct: 63				
Output KPI 1.8	Enhanced efficiency in the time for processing PPF requests; Increased number of requests processed and disbursements (DCP, DMA, PSF)	Planned	a) Processing time of PPF requests: 6 months from PPF submission to disbursement b) Number of PPF requests: 3 requests approved/endorsed c) Volume of PPF requests: USD 2.7 m approved/endorsed		a) Processing time of PPF requests: 3 months from PPF submission to disbursement b) Number of PPF requests: 30-40 approved/endorsed c) Volume of PPF requests: USD 14-15 million approved/endorsed		1. Evaluation of PPF data on dates of submission, review process milestones, and disbursement 2. Evaluation of numbers of approvals and disbursements
		Estimated FTE	Direct: 3				

		Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
Output KPI 1.9	Complementarity and coherence framework (OSB, DMA, PSF, CPD)	Planned	a) Number of countries engaged in promoting coherence amongst climate finance delivery channels at the national programming level: 0 b) Number of CNs and FPs with consideration of complementarity with other climate finance: 0 c) Number of country-driven readiness and other preparatory support requests with consideration of complementarity with other climate finance delivery channels: 0	a) 10 b) 10 c) 10	1. Report on progress made and outputs from the operational framework on complementarity and coherence 2. Outcomes and updates related to complementarity and coherence in the report of the COP to UNFCCC
		Estimated FTE	Direct: 3		
Output KPI 1.10	Policy support to the Board (Dependant on policy being considered)	Planned	Over 40 policy documents requested in 2017 Board work plan; Over 55 policy documents expected in 2018 Board work plan; Limited number of Secretariat papers produce Board decisions	Provide priority policy documents at least 3 weeks before each BM; Support the Board in document prioritization; Increase percentage of work prior to BM to enhance understanding of the related proposed actions in order to increase the percentage of documents generating Board decisions.	1. Discussions with Co-Chairs team on support given 2. Monitoring the number of policy documents prepared, sent to the Co-Chairs, sent to the Board, and the number that generate Board decisions
		Estimated FTE	Direct: 2		

Office of the Executive Director / Deputy ED

OUTPUT 2: Optimized ability of the Secretariat to carry out its responsibilities; Prepare communications strategy that supports enhancing GCF's global profile and expanding its number of partners, supporting greater information sharing with its stakeholders, and positioning the GCF to support replenishment discussion.

Assumptions:

1. Board endorses proposed structural changes
2. Work moves forward on existing terms of reference for a communications strategy

Output KPI 2.1	Implement changes to the Secretariat's structure	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	Secretariat structure in existence before B.18	New Deputy Executive Director hired; OSB renamed and provided with enhanced capacity; External Affairs Division established.	
		Estimated FTE	Direct: 6		

Division of External Affairs (pending decision on structure)

Output KPI 2.2	Communications strategy	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	Board approved ToR for a communications strategy at B.04, deferred in decisions 12/16 and 13/25. Initial objectives established in 13/25 pending preparation of a strategy	Strategy to be prepared by mid-2018	
		Estimated FTE	Direct: 10		

Governance Affairs (prev. Office of the Secretary to the Board)

Assumptions (cross-cutting):

Complementarity & coherence framework: 1. Development of a methodology for considering complementarity in CNs and FPs and readiness requests, including proposals coming through the PPF
 2. Development of approach within country ownership guidelines to promote coherence at the national programming level
 3. Continued interest in pursuing complementarity and coherence with the GCF from other climate finance delivery channels
 4. Countries are interested in preparing and presenting CNs, FPs, and preparatory support requests which promote coherence amongst climate finance delivery channels.

Policy support to the Board: 1. The provisional agenda for Board meetings is cleared with sufficient time for the Secretariat to develop respective documentation
 2. The Secretariat is able to issue documents for Board meetings once they are deemed to be ready

Relevant cross-cutting KPI

Output KPI 1.9	Complementarity and coherence framework (OSB, DMA, PSF, CPD)	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) Number of countries engaged in promoting coherence amongst climate finance delivery channels at the national programming level: 0 b) Number of CNs and FPs with consideration of complementarity with other climate finance: 0 c) Number of country-driven readiness and other preparatory support requests with consideration of complementarity with other climate finance delivery channels: 0	a) 10 b) 10 c) 10	1. Report on progress made and outputs from the operational framework on complementarity and coherence 2. Outcomes and updates related to complementarity and coherence in the report of the COP to UNFCCC
Estimated FTE		Direct: 3			

Output KPI 1.10	Policy support to the Board (Dependant on policy being considered)	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	Over 40 policy documents requested in 2017 Board work plan; Over 55 policy documents expected in 2018 Board work plan; Limited number of Secretariat papers produce Board decisions	Provide priority policy documents at least 3 weeks before each BM; Support the Board in document prioritization; Increase percentage of work prior to BM to enhance understanding of the related proposed actions in order to increase the percentage of documents generating Board decisions.	1. Discussions with Co-Chairs team on support given 2. Monitoring the number of policy documents prepared, sent to the Co-Chairs, sent to the Board, and the number that generate Board decisions
Estimated FTE		Direct: 2			

Office of the General Counsel

Output 4: Negotiate Privileges and Immunities agreements with countries; cross-cutting KPIs

Assumptions:

1. National-specific approval requirements and circumstances carefully considered and taken into account
2. Agreements focus only on the core requirements essential for the effective performance of the functions of GCF and the operationalization of its activities

Output KPI 4.1	Privileges and immunities	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	Number of P&Is: 12	Number of P&Is: 16	
		Estimated FTE	Direct: 5		

Relevant cross-cutting KPI

Output KPI 1.6	Increased number of approved projects that have negotiated AMAs and FAAs and begin 1st disbursement; Increased total aggregate disbursements on approved projects (PSF, DMA, OGC, ORMC, DSS, DCP)	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) Number of proposals with negotiated AMAs and FAAs and begun disbursements: 17 b) Projected 2017 aggregate disbursement of USD 230m on proposals approved through B.16	a) 35 out of 45 b) GCF accumulated aggregate disbursement of USD 750m-837m on proposals approved through B.16	
		Estimated FTE	Direct: 24		

Output KPI 1.7	Review of proposal submissions; Increased number and volume of FPs (DCP, DMA, PSF, OGC, ORMC, DSS)	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) Number of FPs sent to and reviewed by the Secretariat: 74 (in current pipeline; cumul) b) Number of proposals for Board's approval: 26 c) Volume: USD1.3b	a) Number of FPs sent to and reviewed by the Secretariat: 185 (cumul) b) Number of proposals for Board's approval: 40-55 c) Volume: USD2.2-2.8b	
		Estimated FTE	Direct: 63		

Output KPI 1.10	Policy support to the Board (Dependant on policy being considered)	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	Over 40 policy documents requested in 2017 Board work plan; Over 55 policy documents expected in 2018 Board work plan; Limited number of Secretariat papers produce Board decisions	Provide priority policy documents at least 3 weeks before each BM; Support the Board in document prioritization; Increase percentage of work prior to BM to enhance understanding of the related proposed actions in order to increase the percentage of documents generating Board decisions.	
		Estimated FTE	Direct: 2		

Risk Management & Compliance

Output 5: Initiate implementation of Risk Management Framework and development/implementation of Compliance Framework; cross-cutting KPIs

Assumptions:

1. Policies presented to the Board for consideration and approval, as well as implementation schedule roll out as planned

Output KPI 5.1	Risk Management Framework	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	Revised risk register, Risk Appetite Statement, Risk Dashboard, Risk Guidelines for Funding Proposals adopted at B.17 Non-financial Risk Policy, Funding Risk Policy, Investment Risk Policy, grant equiv. calculator (for info) to be presented at B.18	Initiate implementation of RMF Deliver risk rating process at B.19	1. Board documents on components of Risk Management Framework 2. Quarterly reporting of risk dashboard
Estimated FTE		Direct: 5.5			

Output KPI 5.2	Compliance Framework	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned		Development and implementation of compliance operating model Development and implementation of key compliance policies (i.e. AML & CFT Policy) and its standards	1. Progress report and/or related policy documents on AML and CFT
Estimated FTE		Direct: 5.5			

Relevant cross-cutting KPI

Output KPI 1.6	Increased number of approved projects that have negotiated AMAs and FAAs and begin 1st disbursement; Increased total aggregate disbursements on approved projects (PSF, DMA, OGC, ORMC, DSS, DCP)	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) Number of proposals with negotiated AMAs and FAAs and begun disbursements: 17 b) Projected 2017 aggregate disbursement of USD 230m on proposals approved through B.16	a) 35 out of 45 b) GCF accumulated aggregate disbursement of USD 750m-837m on proposals approved through B.16	1. Evaluation of project and disbursement data at the end of 2018
Estimated FTE		Direct: 24			

		Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
Output KPI 1.7	Review of proposal submissions; Increased number and volume of FPs (DCP, DMA, PSF, OGC, ORMC, DSS)	Planned	a) Number of FPs sent to and reviewed by the Secretariat: 74 (in current pipeline; cumul) b) Number of proposals for Board's approval: 26 c) Volume: USD1.3b	a) Number of FPs sent to and reviewed by the Secretariat: 185 (cumul) b) Number of proposals for Board's approval: 40-55 c) Volume: USD2.2-2.8b	1. Evaluation of project and disbursement data at the end of 2018 2. Analysis of projects approved by the Board in 2018
		Estimated FTE	Direct: 63		
Output KPI 1.10	Policy support to the Board (Dependant on policy being considered)	Planned	Over 40 policy documents requested in 2017 Board work plan; Over 55 policy documents expected in 2018 Board work plan; Limited number of Secretariat papers produce Board decisions	Provide priority policy documents at least 3 weeks before each BM; Support the Board in document prioritization; Increase percentage of work prior to BM to enhance understanding of the related proposed actions in order to increase the percentage of documents generating Board decisions.	1. Discussions with Co-Chairs team on support given 2. Monitoring the number of policy documents prepared, sent to the Co-Chairs, sent to the Board, and the number that generate Board decisions
		Estimated FTE	Direct: 2		
Internal Audit					
Output 6: Perform internal audits to ensure compliance to international standards and support Secretariat efforts to continuously improve its operations					
Assumptions: Approved audit plan rolled out as planned.					
Output KPI 6.1	Internal audit	Planned	Number of audits conducted: 3 (5-6 expected by end of 2017)	Number of audits conducted: 5-6 within the Secretariat Establish arrangements for getting assurance on projects funded by the GCF Completion of Audit Manual	1. Internal Audit reports 2. Progress updates to the Board's Ethics and Audit Committee 3. Updates to three-year internal audit plan
		Estimated FTE	Direct: 3		

Division of Country Programming

OUTPUT 7: Increased NDA capacity; increased collaboration between NDAs, Secretariat, and AEs (incl. the private sector); adding new AEs with priority being given to applicants as directed by the Board; cross-cutting KPIs

Assumptions:
1. Active participation from NDAs and AEs
2. Part of output on accreditation of AEs dependent on consensus on review process

Output KPI 7.1	Regional or multi-country dialogues / support NDA-led country dialogues	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) Number of regional/multi-country dialogues: 5 b) Number of NDA-led dialogues supported by GCF presence: 10	a) Number of regional/multi-country dialogues: 8 b) Number of NDA-led dialogues supported by GCF presence: 20-30	
Estimated FTE		Direct: 7			

Output KPI 7.2	Accreditation of new AEs, including DAEs	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	Number of AEs: 54 (cumulative; 50% DAE)	Number of AEs: 20 additional (30-40 additional depending on reforms) with 50% DAE	
Estimated FTE		Direct: 4.5			

Relevant cross-cutting KPI

Output KPI 1.1	Review of concept notes (DMA, PSF, DCP)	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) Number of CNs reviewed: 109 (in current pipeline; cumul)	a) Number of CNs reviewed: 220-250 (incl. up to 150 related to the GCF pilot programme RFPs) - while	
Estimated FTE		Direct: Part of Output KPI 1.7			

Output KPI 1.2	Enhanced capacity of a targeted group of DAEs and support their development of high-quality DAE proposals and aligned work programmes (DCP, DMA, PSF)	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) DAEs assisted generally through readiness programme b) Number of DAE projects for Board's consideration: 14, incl. 2 EDA proposals (including those presented at B.18) c) DAE work programmes in initial iteration	a) At least 15 DAEs designated for enhanced strategic engagement b) 8 high-quality DAE projects (incl. 6 EDA proposals) c) DAE work programmes contain related projects and are forward-looking	
Estimated FTE		Direct: 2		4. Ratio of Board submissions reviewed by the Secretariat	

Output KPI	Description	Phase	Baseline (Sept 2017)		Target (Dec 2018)		Means of Verification
			a)	b)	a)	b)	
Output KPI 1.3	IAE engagement initiatives (DCP, DMA, PSF)	Planned	a) General support to all AEs	b) Low baseline for country programmes	a) Enhanced engagement with at least 10 IAEs	b) Higher alignment to national priorities	1. Review of IAE work programmes and related country programmes/projects submissions 2. Mapping of IAE projects and country programmes 3. Enhanced partnership with DAE
		Estimated FTE	Direct: 4.5				
Output KPI 1.4	Country engagement initiative (DCP, DMA, PSF)	Planned	a) Country programme and additional support given to countries that request assistance	b) Low number of high-quality country programmes	a) Enhanced and coordinate engagement with at least 20 countries in 2018	b) 10 country programmes which are climate-focused and have gone through national consultation processes	1. Review of country programmes and listed project ideas of countries targeted through the initiative
		Estimated FTE	Direct: 7				
Output KPI 1.5	Web portal initiative (DCP, DMA, PSF, DSS, Communications)	Planned	Initial demo to be shared with the Board at B.18		Operation of web portals for all GCF countries and AEs in 2018 enabling them access to up-to-date information		1. Review of numbers and content of web portals on 31/12/2018
		Estimated FTE	Direct: 3				
Output KPI 1.6	Increased number of approved projects that have negotiated AMAs and FAAs and begin 1st disbursement; Increased total aggregate disbursements on approved projects (PSF, DMA, OGC, ORMC, DSS, DCP)	Planned	a) Number of proposals with negotiated AMAs and FAAs and begun disbursements: 17	b) Projected 2017 aggregate disbursement of USD 230m on proposals approved through B.16	a) 35 out of 45	b) GCF accumulated aggregate disbursement of USD 750m-837m on proposals approved through B.16	1. Evaluation of project and disbursement data at the end of 2018
		Estimated FTE	Direct: 24				
Output KPI 1.7	Review of proposal submissions; Increased number and volume of FPs (DCP, DMA, PSF, OGC, ORMC, DSS)	Planned	a) Number of FPs sent to and reviewed by the Secretariat: 74 (in current pipeline; cumul)	b) Number of proposals for Board's approval: 26	a) Number of FPs sent to and reviewed by the Secretariat: 185 (cumul)	b) Number of proposals for Board's approval: 40-55	1. Evaluation of project and disbursement data at the end of 2018 2. Analysis of projects approved by the Board in 2018
		Estimated FTE	c) Volume: USD1.3b	c) Volume: USD2.2-2.8b	Direct: 63		

Output KPI	Description	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
Output KPI 1.8	Enhanced efficiency in the time for processing PPF requests; Increased number of requests processed and disbursements (DCP, DMA, PSF)	Planned	a) Processing time of PPF requests: 6 months from PPF submission to disbursement b) Number of PPF requests: 3 requests approved/endorsed c) Volume of PPF requests: USD 2.7 m approved/endorsed	a) Processing time of PPF requests: 3 months from PPF submission to disbursement b) Number of PPF requests: 30-40 approved/endorsed c) Volume of PPF requests: USD 14-15 million approved/endorsed	1. Evaluation of PPF data on dates of submission, review process milestones, and disbursement 2. Evaluation of numbers of approvals and disbursements
		Estimated FTE	Direct: 3		
Output KPI 1.9	Complementarity and coherence framework (OSB, DMA, PSF, CPD)	Planned	a) Number of countries engaged in promoting coherence amongst climate finance delivery channels at the national programming level: 0 b) Number of CNs and FPs with consideration of complementarity with other climate finance: 0 c) Number of country-driven readiness and other preparatory support requests with consideration of complementarity with other climate finance delivery channels: 0	a) 10 b) 10 c) 10	1. Report on progress made and outputs from the operational framework on complementarity and coherence 2. Outcomes and updates related to complementarity and coherence in the report of the COP to UNFCCC
		Estimated FTE	Direct: 3		
Output KPI 1.10	Policy support to the Board (Dependant on policy being considered)	Planned	Over 40 policy documents requested in 2017 Board work plan; Over 55 policy documents expected in 2018 Board work plan; Limited number of Secretariat papers produce Board decisions	Provide priority policy documents at least 3 weeks before each BM; Support the Board in document prioritization; Increase percentage of work prior to BM to enhance understanding of the related proposed actions in order to increase the percentage of documents generating Board decisions.	1. Discussions with Co-Chairs team on support given 2. Monitoring the number of policy documents prepared, sent to the Co-Chairs, sent to the Board, and the number that generate Board decisions
		Estimated FTE	Direct: 2		

Division of Mitigation and Adaptation

Output 8: Improved IA understanding of GCF goals; Improved project quality; cross-cutting KPIs

Assumptions:
1. Board decisions approved as needed

Output KPI 8.1	Results area guidance	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	Initial/incomplete investment/results management framework; Scattered information on projects types that align with Board frameworks and transformative goals	Production of initial sectoral/results area guidance in all 8 results areas providing direction on project alignment with GCF results frameworks and transformative goals	1. Initial results area guidance on website
Estimated FTE		Direct: 4			

Relevant cross-cutting KPI

Output KPI 1.1	Review of concept notes (DMA, PSF, DCP)	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) Number of CNs reviewed: 109 (in current pipeline; cumul)	a) Number of CNs reviewed: 220-250 (incl. up to 150 related to the GCF pilot programme RFPs) - while promoting use of new CN template	1. Template available on website; concept note work analyzed.
Estimated FTE		Direct: Part of Output KPI 1.7			

Output KPI 1.2	Enhanced capacity of a targeted group of DAEs and support their development of high-quality DAE proposals and aligned work programmes (DCP, DMA, PSF)	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) DAEs assisted generally through readiness programme b) Number of DAE projects for Board's consideration: 14, incl. 2 EDA proposals (including those presented at B.18) c) DAE work programmes in initial iteration	a) At least 15 DAEs designated for enhanced strategic engagement b) 8 high-quality DAE projects (incl. 6 EDA proposals) c) DAE work programmes contain related projects and are forward-looking	1. Review of reports on targeted country work and list of projects for Board's consideration 2. Quality factors to include # of related proposals came from CNs, that were included in country programmes and entity work programmes 3. Review of DAE work programmes 4. Ratio of Board submissions reviewed by the Secretariat
Estimated FTE		Direct: 2			

Output KPI 1.3	IAE engagement initiatives (DCP, DMA, PSF)	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) General support to all AEs b) Low baseline for country programmes	a) Enhanced engagement with at least 10 IAEs b) Higher alignment to national priorities	1. Review of IAE work programmes and related country programmes/projects submissions 2. Mapping of IAE projects and country programmes 3. Enhanced partnership with DAE
Estimated FTE		Direct: 4.5			

Output KPI	Description	Phase	Baseline (Sept 2017)		Target (Dec 2018)		Means of Verification
Output KPI 1.4	Country engagement initiative (DCP, DMA, PSF)	Planned	a) Country programme and additional support given to countries that request assistance	a) Enhanced and coordinate engagement with at least 20 countries in 2018	b) 10 country programmes which are climate-focused and have gone through national consultation processes	1. Review of country programmes and listed project ideas of countries targeted through the initiative	
		Estimated FTE	Direct: 7				
Output KPI 1.5	Web portal initiative (DCP, DMA, PSF, DSS, Communications)	Planned	Initial demo to be shared with the Board at B.18	Operation of web portals for all GCF countries and AEs in 2018 enabling them access to up-to-date information		1. Review of numbers and content of web portals on 31/12/2018	
		Estimated FTE	Direct: 3				
Output KPI 1.6	Increased number of approved projects that have negotiated AMAs and FAAs and begin 1st disbursement; Increased total aggregate disbursements on approved projects (PSF, DMA, OGC, ORMC, DSS, DCP)	Planned	a) Number of proposals with negotiated AMAs and FAAs and begun disbursements: 17	a) 35 out of 45	b) GCF accumulated aggregate disbursement of USD 750m-837m on proposals approved through B.16	1. Evaluation of project and disbursement data at the end of 2018	
		Estimated FTE	Direct: 24				
Output KPI 1.7	Review of proposal submissions; Increased number and volume of FPs (DCP, DMA, PSF, OGC, ORMC, DSS)	Planned	a) Number of FPs sent to and reviewed by the Secretariat: 74 (in current pipeline; cumul)	a) Number of FPs sent to and reviewed by the Secretariat: 185 (cumul)	b) Number of proposals for Board's approval: 40-55	1. Evaluation of project and disbursement data at the end of 2018 2. Analysis of projects approved by the Board in 2018	
		Estimated FTE	Direct: 63				
Output KPI 1.8	Enhanced efficiency in the time for processing PPF requests; Increased number of requests processed and disbursements (DCP, DMA, PSF)	Planned	a) Processing time of PPF requests: 6 months from PPF submission to disbursement	a) Processing time of PPF requests: 3 months from PPF submission to disbursement	c) Volume of PPF requests: USD 14-15 million approved/endorsed	1. Evaluation of PPF data on dates of submission, review process milestones, and disbursement 2. Evaluation of numbers of approvals and disbursements	
		Estimated FTE	Direct: 3				

		Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
Output KPI 1.9	Complementarity and coherence framework (OSB, DMA, PSF, CPD)	Planned	a) Number of countries engaged in promoting coherence amongst climate finance delivery channels at the national programming level: 0 b) Number of CNs and FPs with consideration of complementarity with other climate finance: 0	a) 10 b) 10	1. Report on progress made and outputs from the operational framework on complementarity and coherence 2. Outcomes and updates related to complementarity and coherence in the report of the COP to UNFCCC
		Estimated FTE	Direct: 3		
Output KPI 1.10	Policy support to the Board (Dependant on policy being considered)	Planned	Over 40 policy documents requested in 2017 Board work plan; Over 55 policy documents expected in 2018 Board work plan; Limited number of Secretariat papers produce Board decisions	Provide priority policy documents at least 3 weeks before each BM; Support the Board in document prioritization; Increase percentage of work prior to BM to enhance understanding of the related proposed actions in order to increase the percentage of documents generating Board decisions.	1. Discussions with Co-Chairs team on support given 2. Monitoring the number of policy documents prepared, sent to the Co-Chairs, sent to the Board, and the number that generate Board decisions
		Estimated FTE	Direct: 2		
Private Sector Facility Division					
Relevant cross-cutting KPI					
Output KPI 1.1	Review of concept notes (DMA, PSF, DCP)	Planned	a) Number of CNs reviewed: 109 (in current pipeline; cumul)	a) Number of CNs reviewed: 220-250 (incl. up to 150 related to the GCF pilot programme RFPs) - while promoting use of new CN template	1. Template available on website; concept note work analyzed.
		Estimated FTE	Direct: Part of Output KPI 1.7		
Output KPI 1.2	Enhanced capacity of a targeted group of DAEs and support their development of high-quality DAE proposals and aligned work programmes (DCP, DMA, PSF)	Planned	a) DAEs assisted generally through readiness programme b) Number of DAE projects for Board's consideration: 14, incl. 2 EDA proposals (including those presented at B.18) c) DAE work programmes in initial iteration	a) At least 15 DAEs designated for enhanced strategic engagement b) 8 high-quality DAE projects (incl. 6 EDA proposals) c) DAE work programmes contain related projects and are forward-looking	1. Review of reports on targeted country work and list of projects for Board's consideration 2. Quality factors to include # of related proposals came from CNs, that were included in country programmes and entity work programmes 3. Review of DAE work programmes 4. Ratio of Board submissions reviewed by the Secretariat
		Estimated FTE	Direct: 2		

Output KPI	Description	Phase	Baseline (Sept 2017)		Target (Dec 2018)		Means of Verification
Output KPI 1.3	IAE engagement initiatives (DCP, DMA, PSF)	Planned	a) General support to all AEs b) Low baseline for country programmes	a) Enhanced engagement with at least 10 IAEs b) Higher alignment to national priorities	1. Review of IAE work programmes and related country programmes/projects submissions 2. Mapping of IAE projects and country programmes 3. Enhanced partnership with DAE		
		Estimated FTE	Direct: 4.5				
Output KPI 1.4	Country engagement initiative (DCP, DMA, PSF)	Planned	a) Country programme and additional support given to countries that request assistance b) Low number of high-quality country programmes	a) Enhanced and coordinate engagement with at least 20 countries in 2018 b) 10 country programmes which are climate-focused and have gone through national consultation processes	1. Review of country programmes and listed project ideas of countries targeted through the initiative		
		Estimated FTE	Direct: 7				
Output KPI 1.5	Web portal initiative (DCP, DMA, PSF, DSS, Communications)	Planned	Initial demo to be shared with the Board at B.18	Operation of web portals for all GCF countries and AEs in 2018 enabling them access to up-to-date information	1. Review of numbers and content of web portals on 31/12/2018		
		Estimated FTE	Direct: 3				
Output KPI 1.6	Increased number of approved projects that have negotiated AMAs and FAAs and begin 1st disbursement; Increased total aggregate disbursements on approved projects (PSF, DMA, OGC, ORMC, DSS, DCP)	Planned	a) Number of proposals with negotiated AMAs and FAAs and begun disbursements: 17 b) Projected 2017 aggregate disbursement of USD 230m on proposals approved through B.16	a) 35 out of 45 b) GCF accumulated aggregate disbursement of USD 750m-837m on proposals approved through B.16	1. Evaluation of project and disbursement data at the end of 2018		
		Estimated FTE	Direct: 24				
Output KPI 1.7	Review of proposal submissions; Increased number and volume of FPs (DCP, DMA, PSF, OGC, ORMC, DSS)	Planned	a) Number of FPs sent to and reviewed by the Secretariat: 74 (in current pipeline; cumul) b) Number of proposals for Board's approval: 26 c) Volume: USD1.3b	a) Number of FPs sent to and reviewed by the Secretariat: 185 (cumul) b) Number of proposals for Board's approval: 40-55 c) Volume: USD2.2-2.8b	1. Evaluation of project and disbursement data at the end of 2018 2. Analysis of projects approved by the Board in 2018		
		Estimated FTE	Direct: 63				



Output KPI	Description	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
Output KPI 1.8	Enhanced efficiency in the time for processing PPF requests; Increased number of requests processed and disbursements (DCP, DMA, PSF)	Planned	a) Processing time of PPF requests: 6 months from PPF submission to disbursement b) Number of PPF requests: 3 requests approved/endorsed c) Volume of PPF requests: USD 2.7 m approved/endorsed	a) Processing time of PPF requests: 3 months from PPF submission to disbursement b) Number of PPF requests: 30-40 approved/endorsed c) Volume of PPF requests: USD 14-15 million approved/endorsed	1. Evaluation of PPF data on dates of submission, review process milestones, and disbursement 2. Evaluation of numbers of approvals and disbursements
		Estimated FTE	Direct: 3		
Output KPI 1.9	Complementarity and coherence framework (OSB, DMA, PSF, CPD)	Planned	a) Number of countries engaged in promoting coherence amongst climate finance delivery channels at the national programming level: 0 b) Number of CNs and FPs with consideration of complementarity with other climate finance: 0 c) Number of country-driven readiness and other preparatory support requests with consideration of complementarity with other climate finance delivery channels: 0	a) 10 b) 10 c) 10	1. Report on progress made and outputs from the operational framework on complementarity and coherence 2. Outcomes and updates related to complementarity and coherence in the report of the COP to UNFCCC
		Estimated FTE	Direct: 3		
Output KPI 1.10	Policy support to the Board (Dependant on policy being considered)	Planned	Over 40 policy documents requested in 2017 Board work plan; Over 55 policy documents expected in 2018 Board work plan; Limited number of Secretariat papers produce Board decisions	Provide priority policy documents at least 3 weeks before each BM; Support the Board in document prioritization; Increase percentage of work prior to BM to enhance understanding of the related proposed actions in order to increase the percentage of documents generating Board decisions.	1. Discussions with Co-Chairs team on support given 2. Monitoring the number of policy documents prepared, sent to the Co-Chairs, sent to the Board, and the number that generate Board decisions
		Estimated FTE	Direct: 2		

Support Services Division

Output 9: Meet strategic plan goal of having a "well-staffed Secretariat that can deliver all of its functions as provided in the GI"; Superior efficiencies and impactfulness stemming from smart systems; Support to the Board "to agree on the arrangements for the first formal replenishment process of the GCF"; cross-cutting KPIs

Assumptions:

1. Geopolitical environment and economic circumstances continue to be favorable to GCF's mandate and does not negatively affect recruitment trends
2. Benefitting business units dedicate the required extent of quality personnel and time to the success of the envisioned undertakings

Output KPI 9.1	Hiring target	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) Staff members: 140 (by Oct 2017)	a) Staff members: 250	1. Staff members under contract and/or accepted offers of employment verified on 31/12/2018
		Estimated FTE	Direct: 8		

Output KPI 9.2	ICT initiatives	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) Advanced analytics & KM: 25% of daily work benefitting from data analytics b) Digitisation: 20% BP coverage c) Org Performance Management: 10% of desirable information and workflows included d) Documents/records handling: 20% of file-based information classified with meta data e) HR system: 10% of desirable HR automation f) Financial systems: 40% of articulated medium-term needs covered g) Board Decisions Tracking Tool: 60% of articulated medium-term needs covered h) e-Procurement Portal: 0% of BP integration and workflow automation of medium-term nature i) Travel management system: 30% of specified medium-term automation implemented j) Relationship management: 20% of relationship mngt found system, tool, automation support k) GRC tools: 30% of systems/tools coverage for medium-term needs l) Professional case-handling: 10% of medium-term automation needs of IUs	a) 50% b) 40% c) 75% d) 75% e) 85% f) 80% g) 80% h) 80% i) 70% j) 50% k) 70% l) 60%	1. Confirmation by benefitting GCF business unit about extent of need coverage. Eventual complementary assessment by a third party.
		Estimated FTE	Direct: 8		

Output KPI 9.3	Replenishment	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	Board document "Arrangements for the first formal replenishment of the GCF" presented at B.11 - under consultation	Preparation of communications pieces that can be used to initiate effective replenishment activities when directed by the Board	Evaluation by Co-Chairs team
		Estimated FTE	Direct: 4		

Relevant cross-cutting KPI					
Output KPI	Description	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	Initial demo to be shared with the Board at B.18	Operation of web portals for all GCF countries and AEs in 2018 enabling them access to up-to-date information	
Output KPI 1.5	Web portal initiative (DCP, DMA, PSF, DSS, Communications)	Estimated FTE	Direct: 3		
Output KPI	Description	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) Number of proposals with negotiated AMAs and FAAs and begun disbursements: 17 b) Projected 2017 aggregate disbursement of USD 230m on proposals approved through B.16	a) 35 out of 45 b) GCF accumulated aggregate disbursement of USD 750m-837m on proposals approved through B.16	
Output KPI 1.6	Increased number of approved projects that have negotiated AMAs and FAAs and begin 1st disbursement; Increased total aggregate disbursements on approved projects (PSF, DMA, OGC, ORMC, DSS, DCP)	Estimated FTE	Direct: 24		
Output KPI	Description	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	a) Number of FPs sent to and reviewed by the Secretariat: 74 (in current pipeline; cumul) b) Number of proposals for Board's approval: 26 c) Volume: USD1.3b	a) Number of FPs sent to and reviewed by the Secretariat: 185 (cumul) b) Number of proposals for Board's approval: 40-55 c) Volume: USD2.2-2.8b	
Output KPI 1.7	Review of proposal submissions; Increased number and volume of FPs (DCP, DMA, PSF, OGC, ORMC, DSS)	Estimated FTE	Direct: 63		
Output KPI	Description	Phase	Baseline (Sept 2017)	Target (Dec 2018)	Means of Verification
		Planned	Over 40 policy documents requested in 2017 Board work plan; Over 55 policy documents expected in 2018 Board work plan; Limited number of Secretariat papers produce Board decisions	Provide priority policy documents at least 3 weeks before each BM; Support the Board in document prioritization; Increase percentage of work prior to BM to enhance understanding of the related proposed actions in order to increase the percentage of documents generating Board decisions.	
Output KPI 1.10	Policy support to the Board (Dependant on policy being considered)	Estimated FTE	Direct: 2		

