Annex I: Audited financial statements of the Green Climate Fund for the year ended 31 December 2018

The audited financial statements of the Green Climate Fund for the year ended 31 December 2018 are contained below.

Green Climate Fund

Draft Audited Financial Statements

For the years ended December 31, 2018 and 2017

Prepared Under International Financial Reporting Standards

GREEN CLIMATE FUND

CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of the Green Climate Fund

Opinion

We have audited the accompanying financial statements of the Green Climate Fund (the "Fund"), which comprise the statements of financial position as of December 31, 2018 and 2017, and the statements of comprehensive income, changes in funds and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2018 and 2017 and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board and Secretariat("management") are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations.

The Ethics and Audit committee is responsible for overseeing the Fund’s financial reporting process

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

2913, Nambusunwhan-ro, Seoul, 06280, Korea

May 16, 2019

This report is effective as of May 16, 2019, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

STATEMENT OF FINANCIAL POSITION

As of December 31, 2018 and 2017

(In '000 USD)	Note	2018	2017
Assets			
Cash and cash equivalents	5, 6	3,837,758	3,380,395
Contributions receivable	6,7	307,737	674,834
Prepayments	-	1,024	555
Other receivables	-	96	19
Total current assets		**4,146,615**	**4,055,803**
Contributions receivable	6,7	2,174,190	1,375,652
Investment in equity	6,8	8,146	8,146
Loans Receivable	6,8	259,206	85,300
Property and equipment, net	9	1,607	1,467
Total non-current assets		**2,443,149**	**1,470,565**
Total assets		**6,589,764**	**5,526,368**
Funds and Liabilities			
Accounts payable	6	2,723	1,056
Accrued expenses	6	5,111	5,225
Total current liabilities		**7,834**	**6,281**
Long-term borrowings	10	281,216	293,382
Present value discount	10	45,166	48,248
Total non-current liabilities		**326,382**	**341,630**
Total liabilities		**334,216**	**347,911**
Temporarily restricted funds	11	3,075,929	2,631,600
Unrestricted funds		3,179,619	2,546,857
Total Funds		**6,255,548**	**5,178,457**
Total liabilities and funds		**6,589,764**	**5,526,368**

See accompanying notes to the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the years ended December 31, 2018 and 2017

(In '000 USD)	Note	2018	2017
Income			
Income from contributors	12	1,222,926	1,864,311
Investment & other income	13	74,913	36,240
Total income		**1,297,839**	**1,900,551**
Expenditure			
Administrative expenses	14	56,983	41,629
Programme	15	163,765	74,154
Total expenditure		**220,748**	**115,783**
Increase in fund for the year		**1,077,091**	**1,784,768**
Other Comprehensive Income (loss)			-
Total comprehensive income for the year		**1,077,091**	**1,784,768**

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN FUNDS

For the years ended December 31, 2018 and 2017

(In '000 USD)

	Temporarily restricted funds	Unrestricted funds	Total
As at 1 January 2017	**1,843,633**	**1,550,056**	**3,393,689**
Fund released from restriction	(366,462)	366,462	-
Comprehensive income	1,154,429	630,339	1,784,768
As at 31 December 2017	**2,631,600**	**2,546,857**	**5,178,457**
As at 1 January 2018	**2,631,600**	**2,546,857**	**5,178,457**
Fund released from restriction	(409,358)	409,358	-
Comprehensive income	853,687	223,404	1,077,091
As at 31 December 2018	**3,075,929**	**3,179,619**	**6,255,548**

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS

For the years ended December 31, 2018 and 2017

(In '000 USD)	2018	2017
Cash flows from operating activities		
Cash receipts from contributors	791,765	1,373,924
Investment Income	73,690	35,539
Loan Interest and Other income	1,223	700
Cash paid to suppliers & personnel	(58,650)	(42,223)
Program Payments	(163,765)	(74,154)
Realised foreign currency gain/(loss)	(12,575)	9,851
Net cash provided by (used in) operating activities	**631,688**	**1,303,637**
Cash flows from investing activities		
Acquisition of property and equipment	(804)	(1,079)
Investment in equity	-	(2,652)
Loans to Accredited Entities	(173,521)	(85,300)
Net cash provided by (used in) investing activities	**(174,325)**	**(89,031)**
Cash flows from financing activities		
Loan from contributors	-	341,630
Net cash from financing activities	**-**	**341,630**
Net increase in cash and cash equivalents	**457,363**	**1,556,236**
Cash and cash equivalents at beginning of the year	**3,380,395**	**1,824,159**
Cash and cash equivalents at end of year	**3,837,758**	**3,380,395**

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2018 and 2017

1. REPORTING ENTITY

The Green Climate Fund (Fund) has been established by 196 Parties to the United Nations Framework Convention on Climate Change (UNFCCC). The Fund was established by a decision of the Conference of the Parties (COP) to the UNFCCC on 11 Dec 2011. Its headquarter is based in Songdo, the Republic of Korea and the principal place of business is G-Tower 175, Art Center-daero Yeonsu-gu, Incheon 22004. The Fund seeks to contribute to the achievement of the ultimate objective of the Convention. In the context of sustainable development, the Fund promotes the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change. The Fund is guided by the principles and provisions of the Convention.

The Fund plays a key role in channeling new and predictable financial resources to developing countries. GCF seeks to catalyze climate finance – both public and private, and at the national, regional and international levels. The Fund is intended to operate at a larger scale than other comparable funds to promote the paradigm shift towards low-emission and climate-resilient development pathways.

GCF was designated as an operating entity of the UNFCCC's financial mechanism, which it is ultimately accountable to. The COP provides guidance to the Board, including on matters related to policies, programme priorities and eligibility criteria. The Board takes appropriate actions in response to this guidance and reports to the COP annually.

The Fund is governed and supervised by a Board that has full responsibility for funding decisions and that receives the guidance of the COP. The Board oversees the operation of all relevant components of the Fund, approving specific operational policies and guidelines, and approving funding for projects and programmes. The Board is composed of 24 members, and 24 alternate members with equal representation from developing and developed country Parties. In accordance with the Fund's Governing Instrument, the World Bank provides trustee services to the Fund.

The financial statements for the year ended 31st December 2018 were authorized for issue by the fund's board on XX July 2019.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been applied by the Fund consistently to all periods presented.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs). Where the IFRS are silent or do not give guidance on how to treat transactions specific to the non-profit sector, accounting policies have been based on the general IFRS principles and other relevant accounting standards, as detailed in the IASB Framework for the Preparation and Presentation of Financial Statements.

BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis, except for investments (other than associates or joint ventures) and certain financial assets and liabilities which are recorded at fair value

FUNCTIONAL AND PRESENTATION CURRENCY

The accompanying financial statements are presented in United States Dollars (“USD”), the Fund's functional currency. All financial information has been rounded off to the nearest thousands unless otherwise indicated.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in accordance with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

3. APPLICATION OF NEW AND REVISED IFRS

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED DURING 2018

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2017.

During 2018 the following new standards and amendments became applicable for the first time. The potential impact on the Fund is outlined below:

Standard	Effective Application Date	Expected Impact
IFRS 9 - Financial Instruments, issued in July 2014	1 January 2018	The Fund has applied IFRS 9, Financial Instruments, for the first time for their annual reporting period commencing January 1, 2018. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.
IFRS 15 – Revenue from Contracts with Customers, issued in May 2014	1 January 2018	No impact on the Fund's financial performance and financial position given the fund's sources of revenue
Amendments to IFRS 2 – Share-based payments, issued June 2016	1 January 2018	No impact. The Fund did not enter into any Share-based payment transactions in the period under review
Amendments to IFRS 1 – First-time Adoption of IFRS, issued December 2016	1 January 2018	No Impact. The Fund has been using IFRS since inception
Amendments to IAS 28 – Investment in Associates, Issued December 2016	1 January 2018	No impact on the reporting period. The Fund did not hold any rights or power to participate in financial and operating decisions of any investee
Amendments to IAS 40 – Investment Property, issued December 2016	1 January 2018	No impact. The Fund did not hold any property to earn rentals or for capital appreciation in the reporting period.
IFRIC 22 Foreign Currency Transactions and Advance consideration issued in December 2016	1 January 2018	No significant impact. There were no material transactions involving advance payments in foreign currencies

NOTES TO THE FINANCIAL STATEMENTS

STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the year ended 31 December 2018, and have not been applied in preparing the financial statements. The Fund plans to adopt these pronouncements when they become effective. Only those new or amended standards that may have an impact on the Fund reporting are listed below, with their potential effect on the financial statements:

Standard	Effective Application Date	Expected Impact
IFRS 16 - Leases, issued in January 2016	1 January 2019	In its state of operations, the Fund does not expect any impact since it has no contracts under lease. However, if it enters into lease contracts in the future, it may be required to recognize obligations under the leases
Amendments to IAS 28, Investment in Associates	1 January 2019	In its state of operations, the Fund does not expect any impact since it does not hold any rights or power to participate in the financial and operating decision of any investee. However, if it holds such rights in later periods, it may be impacted if it chooses to apply IFRS 9 to long-term interests in an associate or joint venture

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

B. RECEIVABLES

All receivable balances are valued at their net realizable value, that is, the gross amount of receivable minus, if applicable, allowances provided for doubtful debts. Any receivable or portion of receivable judged to be uncollectable is written off. Write-offs of receivables are done via allowances for doubtful accounts after all efforts to collect have been exhausted.

NOTES TO THE FINANCIAL STATEMENTS

C. PROPERTY AND EQUIPMENT

Property and equipment are initially measured at cost. Subsequent to initial recognition as an asset, property and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

The cost of property and equipment comprises its purchase price and all other incidental costs in bringing the asset to its working condition for its intended use.

Subsequent costs are recognized in the carrying amount of property and equipment at cost or, if appropriate, as separate items if it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. The costs of the day-to-day operation are recognized as expenses.

Property and equipment are depreciated on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. The estimated useful lives for the current period are as follows:

Plant and equipment	Useful life
Computer equipment and IT infrastructure	3 years
Leasehold Improvements	10 Years
Office Equipment and Furniture	3 Years
Motor Vehicles	5 Years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting date and adjusted, if appropriate.

Depreciation is made in the year the asset is placed in operation and continued until the asset is fully depreciated or its use is discontinued.

D. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Foreign currency-denominated transactions are translated to US Dollars for reporting purposes at rates which approximate the exchange rates prevailing at the dates of the transactions.
Exchange differences arising from the: (a) settlement of foreign currency-denominated monetary items at rates which are different from which they were originally booked, and (b) translation of balances of foreign currency-denominated monetary items as at reporting date, are credited or charged to operations during the year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE FINANCIAL STATEMENTS

E. ACCOUNTING FOR CONTRIBUTIONS

E1.1 Revenue recognition

Contributions, including unconditional promise for the use of the contributions, are recognized as revenue at the earlier of when there is reasonable assurance that the contributions will be received or such contributions are received.

Contributions, including conditional promise to support specified projects or activities mutually agreed upon by the Fund and the contributor, are fully recognized as revenue at the earlier of when there is reasonable assurance that the contributions will be received or such contributions are received unless there is doubt that the Fund will not be able to use the contributions for their intended purposes, in which case the revenue is recognized only to the extent of the expenditures incurred during the year.

E1.2 Contributions receivable

The Fund recognizes contributions receivable where there is reasonable assurance that the contributions will be received but the cash has not been received. Contributions receivable are stated at their cost net of a provision for uncollectible contributions.

Promissory notes receivable are measured initially at fair value by discounting the future cash flows with the appropriate discount rates, which reflects the duration and the credit risk of the issuer and presented at amortized cost using the effective rate method at each reporting date. The Fund assesses at the end of each reporting period whether there is any objective evidence that the promissory notes are impaired. If any such evidence exists, the Fund determines the amount of any impairment loss.

E1.3 Deferred contribution revenue

The Fund recognizes deferred contribution revenue where there is a doubt that the Fund will be able to use the contributions for intended purposes and any unused portion of the contribution received will need to be refunded to the contributor. The revenue recognition for such contributions is deferred to future periods in order to match the underlying related expenses. The revenue is realized in the statement of comprehensive income on a systematic basis in the period during which the underlying related expenses are incurred.

F. ACCOUNTING FOR INVESTMENTS IN EQUITY

F1.1 Investment in associates

Investments in associates are initially recognized at acquisition cost using the equity method. Unrealized gains on transactions between the Fund and its associates are eliminated to the extent of the Fund’s interest in the associates. If there is any objective evidence that the investment in the associate is impaired, the Fund recognizes the difference between the recoverable amount of the associate and its book value as impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

Associates are all entities over which the Fund has significant influence (that is the power to participate in the financial and operating policy decisions of the investee) but is not in control or joint control of those policies. If the Fund holds, directly or indirectly (e.g. through subsidiaries), 20 percent or more of the voting power of the investee, it is presumed that the Fund has significant influence, unless it can be clearly demonstrated that this is not the case e.g. by evidence that all or almost all the following conditions are absent or do not apply:

(a) Representation on the board of directors or equivalent governing body of the investee;
(b) Participation in the investee's policy-making processes, including participation in decisions about dividends and other distributions;
(c) Material transactions between the Fund and the investee;
(d) Interchange of managerial personnel between the Fund and the investee;
(e) Provision of essential technical information between the Fund and the investee.

F1.2 Investment in joint ventures

A joint arrangement of which two or more parties have joint control is classified as either a joint operation or a joint venture. A joint operator has rights to the assets, and obligations for the liabilities, relating to the joint operation and recognizes the assets, liabilities, revenues and expenses relating to its interest in a joint operation. A joint venturer has rights to the net assets relating to the joint venture and accounts for that investment using the equity method.

F1.3 Investment not subject to associates or joint ventures

Any investment in equity that is not subject to associates or joint ventures is accounted for at fair value through other comprehensive income in accordance with *"IFRS 9 Financial Instruments".*

G. ACCOUNTING FOR GRANTS

The accounting for grants uses the principles of IAS 37: Provisions, liabilities and contingent liabilities, together with the "general framework" document to determine when the grants should be recognized as contingent liabilities, grant payables and subsequently recorded in the statement of comprehensive income.

G1.1 Contingent Liability

The first point of recognition for grants is at the point of Board approval, where the maximum liability of the grant becomes clear and is agreed with the Accredited Entity. The accounting treatment at this point is to recognize the grant as a contingent liability due to the uncertainty over the amount of the grant and the substantive ability of the Fund to decommit funds if conditions are not met or funding is not available. Accordingly, the point of Board approval is not considered to be a constructive obligation as defined under IAS 37.

Following the Board approval, the grants are governed by a written grant agreement that includes substantive conditions based on performance. There is no constructive obligation for the full value of the grant at the signing date of the grant agreement. Accordingly, an obligation only arises once all criteria have been addressed or otherwise resolved.

NOTES TO THE FINANCIAL STATEMENTS

G1.2 Recognition of Grants payable and expenditure

The recognition of grants payable is determined to be the point at which the conditions are met and the disbursement request is made by the accredited entity. At this point, the Fund has a constructive obligation to the accredited entity and the valid amount requested for disbursement is therefore recognized as a grant payable and recorded as expenditure within the statement of comprehensive income.

G1.3 Recoverable from Grants

During the implementation period, a part of the funds disbursed for grants may be determined as recoverable from the accredited entity based on the audits and investigations conducted. Grants recoverable are recognized at fair value upon notification to the accredited entity and are subject to the same policy of valuation, risk assessment and asset impairment as contributions recoverable from the contributor.

H. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual provisions of the underlying instruments.

H1.1 Financial assets

H1.1.1 Classification

From January 1, 2018, the Fund classifies its financial assets in the following measurement categories:

a) Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss)
b) Those to be measured at amortized cost

The classification depends on the Fund's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Fund reclassifies debt investments only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Fund has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. Changes in fair value of the investments in equity instruments that are not accounted for as other comprehensive income are recognized in profit or loss.

H1.1.2 Measurement

At initial recognition, the Fund measures a financial asset, in the case of a financial asset not at fair value through profit or loss, at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset or the issuance of the financial liabilities. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

H1.1.2.1 Debt Instruments

Subsequent measurement of debt instruments depends on the Fund's business model for managing the asset and the cash flow characteristics of the asset. the Fund classifies its debt instruments into one of the following three measurement categories:

a) Financial assets measured at amortized cost.

Assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'Financial income' using the effective interest rate method.

b) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Financial income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'Financial income and expenses' and impairment losses are presented in 'Other non-operating expenses.

c) Financial assets measured at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented in the statement of profit or loss within 'Other non-operating income and expenses' in the year in which it arises.

H1.1.2.2 Equity Instruments

The Fund subsequently measures all equity investments at fair value. Where the Fund's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to retained earnings. Dividend income from such investments continues to be recognized in profit or loss as 'Other non-operating income' when the right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'Other non-operating income and expenses' in the statement of profit or loss as applicable.

NOTES TO THE FINANCIAL STATEMENTS

H1.1.3 Impairment

The Fund assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Fund applies the simplified approach, which requires expected lifetime losses to be recognized from the initial recognition of the receivables.

H1.1.4 Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership. If a transfer does not result in derecognition because the Fund has retained substantially all the risks and rewards of ownership of the transferred asset, the Fund continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The Fund classified the financial liability as “borrowings” in the statement of financial position.

H1.1.5 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

H1.2 Financial liabilities

Financial liabilities at fair value through profit or loss are financial instruments held for trading. Financial liabilities are classified in this category if incurred principally for the purpose of repurchasing them in the near term. Derivatives that are not designated as hedges or bifurcated from financial instruments containing embedded derivatives are also categorized as held-for-trading.

The Fund classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized cost and presented as ‘accounts payable’, ‘borrowings’, and ‘other financial liabilities’ in the statement of financial position.

I. FINANCE INCOME AND FINANCE COSTS

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

NOTES TO THE FINANCIAL STATEMENTS

J. TAXATION

Under the agreement between the Republic of Korea and the Green Climate Fund (GCF) concerning the Headquarters of the Green Climate Fund, signed on 10 June 2013, the GCF is exempt from all direct taxes, except those which are, in fact no more than charges for public utility services; and exempt from all indirect taxes, including any value-added and or/similar taxes and excise duties levied on important purchase of goods and services for official purposes.

K. RISK MANAGEMENT

The Fund is and will continue to be exposed to various kinds of risk (compliance risk, reputational risk, legal risk, IT risk, credit risk, market risk, currency risk, liquidity risk, operational risk). The Fund has its Risk Management and Investment framework. The Board adopted a risk appetite methodology and risk registers to manage its exposure to various risk categories. The Fund will continue establishing risk policies and guidelines to further improve risk management tools in financial and non-financial risk management. Funds held in trust by the Trustee are invested in accordance with the World Bank's policies and procedures for the investment of trust funds administered by the World Bank.

L. EVENTS AFTER THE REPORTING DATE

Post year-end events that provide additional information about the Funds financial position at the reporting date (adjusting events) are reflected in the financial statements when material. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

NOTES TO THE FINANCIAL STATEMENTS

5. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents as of December 31, 2018 and 2017 are summarized as follows:

(In '000 USD)	2018	2017
Balance held in the GCF Trust Fund (at the World Bank)	3,822,378	3,375,013
Balances held in Commercial Banks	15,380	5,381
Cash on Hand	-	1
Total	3,837,758	3,380,395

The World Bank is serving as the Trustee of the Fund. The Trustee administers contributions received in the Trust Fund in accordance with the Amended and Restated Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund (including all Annexes and Attachments attached thereto, which constitute an integral part thereof), dated April 22, 2015 between the Fund and the Trustee (the "GCF Trust Fund Agreement"). The Fund signed a revised agreement with the World Bank on 12th April 2019. Under the revised agreement, the World Bank shall continue to provide trustee services for the next four years.

(b) Cash and cash equivalents denominated in foreign currencies as of December 31, 2018 and 2017 are as follows:

	2018			2017		
Foreign currency	Foreign currency amount (in '000)	Ending exchange rate	Translation into '000 USD	Foreign currency amount (in '000)	Ending exchange rate	Translation into '000 USD
EUR	230,100	0.8732	263,514	-	-	-
KRW	356,783	0.0009	324	694,355	0.0009	644

NOTES TO THE FINANCIAL STATEMENTS

6. FINANCIAL INSTRUMENTS BY CATEGORIES

(a) Categories of financial assets as of December 31, 2018 and 2017 are summarized as follows:

(i) December 31, 2018				
(In '000 USD)	Financial assets measured at amortized cost	Financial assets measured at FVTOCI	Financial assets measured at FVTPL	Total Amount
Financial Assets				
Cash and cash equivalents	3,837,758	-	-	3,837,758
Contributions receivable	2,481,927	-	-	2,481,927
Loans Receivable	259,206	-	-	259,206
Investments in equity	-	8,146	-	8,146
Total	**6,578,891**	**8,146**	**-**	**6,587,037**
(ii) December 31, 2017				
(In '000 USD)	Financial assets measured at amortized cost	Financial assets measured at FVTOCI	Financial assets measured at FVTPL	Total Amount
Cash and cash equivalents	3,380,395	-	-	3,380,395
Contributions receivable	2,050,486	-	-	2,050,486
Loans Receivable	85,300	-	-	85,300
Investments in equity	-	8,146	-	8,146
Total	**5,516,181**	**8,146**	**-**	**5,524,327**

(b) Categories of financial liabilities as of December 31, 2018 and 2017 are summarized as follows:

(i) December 31, 2018			
(In '000 USD)	Financial assets measured at amortized cost	Financial assets measured at FVTPL	Total Amount
Financial Liabilities			
Accounts payable	2,723	-	2,723
Accruals	5,111	-	5,111
Long-term borrowings	281,216	-	281,216
Total	**289,050**		**289,050**
(ii) December 31, 2017			
(In '000 USD)	Financial assets measured at amortized cost	Financial assets measured at FVTPL	Total Amount
Accounts payable	1,056	-	1,056
Accruals	5,225	-	5,225
Long-term borrowings	293,382	-	293,382
Total	**299,663**	**-**	**299,663**

NOTES TO THE FINANCIAL STATEMENTS

(c) Detail of net gains (or losses) on each category of financial instruments by category for the years ended December 31, 2018 and 2017 are summarized as follows:

	2018			2017		
(In '000 USD)	Loans and receivables	Other assets	Financial liabilities	Loans and receivables	Other Assets	Financial liabilities
Bank and trust fund income	-	73,824	-	-	35,539	-
Foreign exchange gain (loss)	(99,599)	-	-	133,377	-	-
Present value amortization on promissory note	-	-	-	2,512	-	-
Total	**(99,599)**	**73,824**	**-**	**135,889**	**35,539**	**-**

NOTES TO THE FINANCIAL STATEMENTS

7. CONTRIBUTIONS RECEIVABLE

In accordance with signed arrangements/ agreements, a number of contributors have deposited promissory notes. The World Bank, as the Trustee of the Fund, is holding these promissory notes on behalf of the fund. These are non-interest-bearing and payable at par value. Promissory notes encashable within one year from the end of the reporting period are classified as current assets-receivables. Promissory notes encashable after more than one year from the end of the reporting period are classified as non-current assets- receivables.

The promissory notes receivables are measured initially at fair value by discounting the future cash flows with the appropriate discount rates, which reflects the duration and the credit risk of the issuer and presented at amortized cost using the effective rate method at each reporting date. The Fund assesses at the end of each reporting period whether there is any objective evidence that the promissory notes will not be received. If any such evidence exists, the Fund determines the amount of any bad debts to be written off. Promissory notes denominated in Euro, Japanese Yen, Swedish Krona and Pound Sterling were revalued to United States Dollars (USD) at the end of reporting period at the prevailing exchange rates.

As at December 31, 2018, encashment schedule and details of present value on promissory notes are as follows:

Encashment	Amount (In '000 USD)
In 2019	307,737
In 2020	411,926
In 2021	113,334
In 2022	1,037,964
In 2023	632,538
Nominal value of promissory notes	2,503,499
Unamortized present value discount	(21,572)
Present value of promissory notes	**2,481,927**

NOTES TO THE FINANCIAL STATEMENTS

Contributions receivable denominated in foreign currencies as of December 31, 2018 and 2017 are as follows:

	2018			2017		
Foreign currency	Foreign currency amount (in '000)	Ending exchange rate	Translation into '000 USD	Foreign currency amount (in '000)	Ending exchange rate	Translation into '000 USD
EUR	480,910	0.8732	550,738	379,710	0.8340	455,158
JPY	82,713,388	109.95	752,316	63,151,749	112.52	561,274
GBP	720,000	0.7813	919,368	520,017	0.7400	699,966
SEK	2,140,000	8.95	239,077	2,740,000	8.2014	334,088
			2,461,499			**2,050,486**

Promissory notes amounting to USD 42 million were held in USD hence not included above

8. FINANCIAL ASSETS AT FAIR VALUE

A. FINANCIAL ASSETS AT FAIR VALUE THROUGH COMPREHENSIVE INCOME

i) Financial assets at Fair Value through Other Comprehensive (FVTOCI) as at December 31, 2018 and 2017 are as follows:

(In '000 USD)	2018	2017
Equity Instruments	8,146	8,146

Details of equity instruments as at December 31, 2018 and 2017 are as follows:

	December 31, 2018			
(In '000 USD)	No. of Shares owned	Percentage of Ownership (%)	Acquisition cost	Carrying Amount (Fair Value)
KawiSafi Ventures	20,000	47.45	8,146	8,146
	December 31, 2017			
(In '000 USD)	No. of Shares owned	Percentage of Ownership (%)	Acquisition cost	Carrying Amount (Fair Value)
KawiSafi Ventures	20,000	47.45	8,146	8,146

Investments in equity relate to the acquisition of equity in "KawiSafi" Ventures Limited in accordance with GCF Board approval under decision B.11/11. The investment in equity in KawiSafi is accounted for in accordance with "*IFRS 9 Financial Instruments"* as the Fund does not have significant influence over the invested entity's financial or operating decisions. The acquisition cost is considered a reasonable estimate for the fair value of the investment. The carrying amount as at December 31, 2018 and 2017 are as below:

NOTES TO THE FINANCIAL STATEMENTS

ii) Changes in the value of financial assets at FVTOCI for the years ended December 31, 2018 and 2017 are as follows:

(In '000 USD)	2018	2017
Balance at January 1	8,146	8,146
Acquisition	-	-
Disposal	-	-
Fair value gain (loss)	-	-
Others	-	-
Balance as at December 31	**8,146**	**8,146**

iii) Changes in gain (loss) on the valuation of financial asset at FVTOCI for the years ended December 31, 2018 and 2017 are as follows:

(In '000 USD)	2018	2017
Balance at January 1	8,146	8,146
Fair value gain (loss)	-	-
Reclassification to retained earnings	-	-
Balance as at December 31	**8,146**	**8,146**

B. LOANS RECEIVABLE

Loans receivable relate to loans that have been disbursed to accredited entities for the implementation of activities as per the different funding proposals presented to and approved by the GCF board. The loans are valued at amortized cost as required by *"IFRS 9 Financial Instruments"* since they are held solely for the collection of principal and interest. Details of the loans are as below:

	2018		2017	
(In '000 USD)	Current	Non-current	Current	Non-current
Gross Carrying Amount	-	259,206	-	85,300
Expected Credit Loss (ECL) Allowance*	-	-	-	-
Net Carrying Amount	**-**	**259,206**	**-**	**85,300**

*All interest payable on the loan as at 31, December 2018 has been paid by the loanees.

NOTES TO THE FINANCIAL STATEMENTS

The interest rates, maturity dates for the loans are as below:

Accredited Entity	Funding Proposal No.	Loan Currency	Loan amount *(In '000 USD)*	Maturity Date	Interest Rate
European Bank for Reconstruction and Development (EBRD)*	025	EURO	78,354	August 2033	Variable
European Bank for Reconstruction and Development (EBRD)**	047	EURO	86,902	June 2041	Variable
European Bank for Reconstruction and Development (EBRD)***	039	USD	65,800	September 2040	Variable
XacBank	046	USD	8,650	November 2029	2.47%
XacBank	028	USD	19,500	June 2022	LIBOR+ 0.5%
Total			**259,206**		

* The interest rate will vary depending on different factors as outlined in the Funded Activity Agreement (FAA)

** The pricing of the GCF Tranche will be based on the pricing of the EBRD Tranche to the Sub-projects. The interest rate floor is 1.5% for wind projects and 2% for solar projects

*** The pricing of the GCF Tranche will be based on the pricing of the EBRD Tranche to the Sub-projects. The interest rate floor is 1.8% for amounts loaned out for wind projects and 2% for amounts loaned out for solar projects.

NOTES TO THE FINANCIAL STATEMENTS

9. PROPERTY AND EQUIPMENT

(a) Details of property and equipment as of December 31, 2018 and 2017 are as follows:

(i) December 31, 2018			
(In '000 USD)	Acquisition cost	Accumulated depreciation	Carrying amount
Computer/IT equipment	3,127	(2,310)	817
Leasehold Improvements	387	(43)	344
Office Furniture & Equipment	518	(135)	383
Motor Vehicles	81	(18)	63
Total	**4,113**	**(2,506)**	**1,607**
(ii) December 31, 2017			
(In '000 USD)	Acquisition cost	Accumulated depreciation	Carrying amount
Computer/IT equipment	2,836	(1,785)	1,051
Leasehold Improvements	237	(15)	222
Office Furniture & Equipment	202	(38)	164
Motor Vehicles	35	(5)	30
Total	**3,310**	**(1,843)**	**1,467**

(b) Changes in property and equipment for the year ended December 31, 2018 and 2017 are summarized as follows:

(In '000 USD)

	January 1, 2018	Acquisition	Disposals	Depreciation	December 31, 2018
Computer/IT equipment	1,051	291	-	(525)	817
Leasehold Improvements	222	151	-	(29)	344
Office Furniture & Equipment	164	316	-	(97)	383
Motor Vehicles	30	46	-	(13)	63
Total	**1,467**	**804**	**-**	**(664)**	**1,607**
	January 1, 2017	Acquisition	Disposals	Depreciation	December 31, 2017
Computer/IT equipment	1,083	645	-	(677)	1,051
Leasehold Improvements	-	237	-	(15)	222
Office Furniture & Equipment	-	202	-	(38)	164
Motor Vehicles	-	35	-	(5)	30
Fixed Assets in transit	40	(40)	-	-	-
Total	**1,123**	**1,079**	**-**	**(735)**	**1,467**

NOTES TO THE FINANCIAL STATEMENTS

10. LONG-TERM BORROWINGS

i) The classification of long-term borrowings as at December 31, 2018 and 2017 is as follows:

	2018		2017	
(In '000 USD)	Current	Non-Current	Current	Non-Current
Long-term borrowings	-	281,216	-	293,382
Total	**-**	**281,216**	**-**	**293,382**

ii) Details of long-term borrowings as of December 31, 2018 are as follows

	Lender	Interest rate (%)	Maturity	*(In '000 USD)*
Long-term borrowings	France	0.00	June 15, 2042*	326,382
Less present value discount				(45,166)
Total				**281,216**

* The long-term loan shall be paid in 40 equal semi-annual installments on June 15, and December 15 of each year commencing December 15, 2022.

ii) Present value discount:

Present value discount of USD 45,166,488 refers to the interest implicit in the long-term borrowings and will be realized across the maturity period.

iv) Changes in the value of the loan in 2018 and 2017 are as below

(In '000 USD)	2018	2017
Balance at January 1	293,382	0
Acquisition	-	341,630
Repayments	-	-
Forex loss (gain)	(15,248)	-
Decrease/(Increase) in present value discount	3,082	(48,248)
Balance as at December 31	**281,216**	**293,382**

NOTES TO THE FINANCIAL STATEMENTS

11. FUNDS

All contributions received where the use is limited by contributor-imposed purpose or time restrictions have been classified as temporarily restricted funds. All other funds are recognized as unrestricted funds.

Changes in nominal value of temporarily restricted funds by type of restriction for the year ended December 31, 2018 are as follows:

(In '000 USD)	January 1, 2018	Released	Received with restriction	Unrealized Exchange gain/loss	December 31, 2018
Time restriction only	1,466,708	(409,358)	770,016	(51,061)	1,776,305
Time & contributor-imposed restriction	592,462	-	170,730	(35,998)	727,194
Contributor imposed restriction only	572,430	-	-	-	572,430
Total	**2,631,600**	**(409,358)**	**940,746**	**(87,059)**	**3,075,929**

Time restriction represents the funds to be collected in future years (i.e. promissory notes) that were recorded at the present value of future collections as at the end of the reporting period. This type of fund will be reclassified into unrestricted funds in the year of receipt.

Contributor-imposed restriction represents the funds whose use is limited by the contributor. Contributor-imposed restrictions relate to capital contributions which can only be disbursed as financial instruments which generate reflows. They may therefore not be used to finance grants unless that terms of the contribution state so.

Time and contributor-imposed restrictions represent the funds whose use is restricted as outlined above and that will be collected in future periods.

NOTES TO THE FINANCIAL STATEMENTS

12. INCOME FROM CONTRIBUTORS

As stated in Note 5, contributions are received through GCF's Trust Fund account at the World Bank administered by the Trustee. The change in the carrying value of the resources in the GCF Trust Fund is due to contribution revenues, investment returns on GCF Trust Fund balances, foreign currency transactions or translations and present value amortization on promissory notes. Those changes comprise the comprehensive income of the Fund.

Details of income from GCF Trust Fund for the year ended December 31, 2018 and December 31, 2017 are as follows:

(i) December 31, 2018			
(In '000 USD)	Nominal value	Unamortized present value discount on promissory note	Total
Contribution revenues	1,335,412	(13,828)	1,321,584
Foreign exchange gain(loss)	(99,599)	661	(98,938)
Present Value amortization on promissory note	-	280	280
Total	**1,235,813**	**(12,887)**	**1,222,926**
(ii) December 31, 2017			
(In '000 USD)	Nominal value	Unamortized present value discount on promissory note	Total
Contribution revenues	1,732,651	(4,229)	1,728,422
Foreign exchange gain(loss)	133,449	(72)	133,377
Present Value amortization on promissory note	-	2,512	2,512
Total	**1,866,100**	**(1,789)**	**1,864,311**

The foreign exchange gain (loss) is primarily due to exchange gain/loss at the time of encashment of promissory notes and on year-end revaluation of promissory notes received in a currency other than USD. On the reporting date, promissory notes held by the Trustee were revalued at the year-end exchange rate.

The details of changes in the total contribution that the Fund has received through the Trust Fund account for the year ended December 31, 2018 are presented as follows:

NOTES TO THE FINANCIAL STATEMENTS

(a) By contributor:

(In '000 USD)	January 1, 2018	Increase (Decrease)	December 31, 2018
Australia	126,557	14,894	141,451
Austria	26,089	2,958	29,047
Belgium	82,560	-	82,560
Bulgaria	109	-	109
Canada	128,230	-	128,230
Chile	300	-	300
Columbia	287	-	287
Cyprus	-	415	415
Czech Republic	4,857	-	4,857
Denmark	62,265	-	62,265
Estonia	1,123	-	1,123
Finland	38,256	-	38,256
France	710,713	174,788	885,501
Germany	677,592	207,259	884,851
Hungary	3,511	-	3,511
Iceland	700	200	900
Indonesia	244	-	244
Ireland	4,453	2,290	6,743
Italy	168,115	59,825	227,940
Japan	1,016,616	358,939	1,375,555
Korea	3,158	-	3,158
Korea	44,000	52,842	96,842
Latvia	417	-	417
Liechtenstein	50	-	50
Lithuania	113	-	113
Luxembourg	27,844	42	27,886
Malta	274	115	389
Mexico	10,000	-	10,000
Monaco	1,079	-	1,079
Mongolia	50	-	50
Netherlands	38,912	76,711	115,623
New Zealand	2,198	-	2,198
Norway	156,107	49,259	205,366
Panama	1,000	-	1,000
Poland	103	-	103
Portugal	2,168	-	2,168
Romania	50	-	50
Russian Federation	-	3,000	3,000
Spain	18,996	30,487	49,483
Sweden	485,197	(23,861)*	461,336
Switzerland	100,562	-	100,562
United Kingdom	713,549	210,719	924,268
United States	1,000,000	-	1,000,000
Total	**5,658,404**	**1,220,882**	**6,879,286**

* The negative change results from exchange loss on promissory notes held in contributor's home currency

NOTES TO THE FINANCIAL STATEMENTS

(b) By contribution type:

(In '000 USD)	January 1, 2018	Increase (Decrease)	December 31, 2018
Cash	3,599,234	776,553	4,375,787
Promissory note	2,059,170	444,329	2,503,499
Total	**5,658,404**	**1,220,882**	**6,879,286**

(c) By instrument type:

(In '000 USD)	January 1, 2018	Increase (Decrease)	December 31, 2018
Capital	1,164,893	134,753	1,299,646
Grant	4,151,881	1,101,377	5,253,258
Loan	341,630	(15,248)*	326,382
Total	**5,658,404**	**1,220,882**	**6,879,286**

*The negative change in the contributions is as a result of forex losses for instruments denominated currency other than USD.

13. INVESTMENT & OTHER INCOME

Investment and Other income comprise these following.

(In '000 USD)	**2018**	**2017**
Investment income	73,690	35,539
Loan interest	476	34
Other income	747	667
Total	**74,913**	**36,240**

Investment income represents the investment return on GCF Trust Fund balances that were invested in accordance with the investment strategy established for all trust funds administered by the World Bank.

Loan interest represents interest received on loans advanced to an accredited entity.

Other income represents the accreditation fees and interest on bank deposits

NOTES TO THE FINANCIAL STATEMENTS

14. ADMINISTRATIVE EXPENSES

Details of administrative expenses for the Fund for the year ended December 31, 2018 and December 31, 2017 are as follows:

(In '000 USD)	2018	2017
Staff Costs [a]	37,284	22,496
Consultants Fees	4,045	5,091
Contractual Services	4,670	5,585
Supplies and Services	7,772	4,636
Travel	2,548	3,087
Depreciation	664	734
Total	**56,983**	**41,629**

[a] As at December 31 2018, the Fund had 227 full-time staff (149 as at December 31, 2017). The details of the staff costs are as below:

(In '000 USD)	2018	2017
Short-term employee benefits	33,104	19,368
Defined contribution plans	3,167	2,158
Other Costs	1,013	970
Total	**37,284**	**22,496**

NOTES TO THE FINANCIAL STATEMENTS

15. PROGRAMME

Programme expenditures for the years ended December 31, 2018 and December 31, 2017 are related to 'Funding Proposal Grants', 'Accredited Entity Fees', the 'Readiness & Preparatory Support Programme', National Adaptation Plans and the Project Preparation Facility.

(In '000 USD)	2018	2017
Funding Proposal Grants	106,389	53,939
Accredited Entity Fees	14,152	7,661
Readiness & Preparatory Support Programme*	39,263	11,406
Project Preparation Facility	3,961	1,148
Total	**163,765**	**74,154**

*In 2017, this was split into readiness and National Adaptation Plans. They were combined in 2018 since they all fall under the readiness programme

a) Funding Proposal Grants

Details of Funding Proposal Grants channeled through the various accredited entities are as follows as at 31st December 2018 and 2017:

(In '000 USD)	2018	2017
Asian Development Bank (ADB)	14,780	-
Agency for Agricultural Development of Morocco (ADA)	-	10,162
Conservation International (CI)	800	-
Environmental Investment Fund (EIF)	7,232	3,512
European Bank for Reconstruction & Development (EBRD)	16,951	-
KfW Development Bank (KfW)	150	-
Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE)	-	1,022
The Secretariat of the Pacific Regional Environment Programme (SPREP)	297	
United Nations Development Programme (UNDP)	66,179	32,773
United Nations Environmental Programme (UNEP)	-	5,969
XacBank	-	500
Total	**106,389**	**53,938**

NOTES TO THE FINANCIAL STATEMENTS

b) Accredited Entity Fees

Details of Accredited Entity Fees for the disbursements to the different Accredited Entities are as follows:

(In '000 USD)	2018	2017
Asian Development Bank (ADB)	1,090	-
Agency for Agricultural Development of Morocco (ADA)	-	915
Conservation International (CI)	72	-
European Bank for Reconstruction & Development (EBRD)	5,996	2,905
Environmental Investment Fund (EIF)	723	351
KfW Development Bank (KfW)	9	-
Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE)	-	100
The Secretariat of the Pacific Regional Environment Programme (SPREP)	27	-
United Nations Development Programme (UNDP)	5,638	2,765
United Nations Environmental Programme (UNEP)	-	537
XacBank	597	88
Total	**14,152**	**7,661**

NOTES TO THE FINANCIAL STATEMENTS

c) Readiness & Preparatory Support Programme

Details of 'Readiness & Preparatory Support Programme' expenditures for the years ended December 31, 2018 and December 31, 2017 are as follows:

(In '000 USD)	2018	2017
Consultants Fees	1,218	735
Regional workshops & NDA visits	4,381	1,062
Grants	28,931	8,163
Professional Services	493	81
Travel	207	95
Other Operating Costs	1,344	-
Total	**36,574**	**10,136**

The following countries received readiness grants for the years ended December 31, 2018 and December 31, 2017:

(In '000 USD)	2018	2017
Albania	-	148
Algeria	60	-
Antigua and Barbuda	294	365
Argentina	506	-
Armenia	150	-
Azerbaijan	180	-
Bahamas	-	250
Bangladesh	637	69
Belize	-	123
Bhutan	296	-
Bosnia-Herzegovina	165	-
Brazil	197	-
Burkina Faso	563	-
Burundi	239	-
Cambodia	120	-
Cameroon	-	250
Central African Republic	290	-
Chad	-	120
Chile	1,678	200
Colombia	631	-
Comoros	115	-

NOTES TO THE FINANCIAL STATEMENTS

(In '000 USD)	2018	2017
Cook Islands	8	274
Costa Rica	635	-
Cote d'Ivoire	-	240
Cuba	167	-
Democratic Republic of Congo	678	-
Djibouti	-	120
Dominica	-	232
Dominican Republic	1,262	75
Ecuador	195	-
Egypt	-	122
Equatorial Guinea	703	-
Eswatini	828	-
Federal States of Micronesia	-	130
Gabon	130	-
Gambia	-	75
Georgia	227	82
Ghana	-	300
Grenada	409	-
Guatemala	-	316
Guyana	556	-
Haiti	390	215
Honduras	379	135
India	150	-
Indonesia	281	-
Iraq	334	-
Jamaica	327	120
Jordan	190	150
Kazakhstan	300	-
Kenya	216	-
Kiribati	146	-
Kyrgyz Republic	155	-
Lao PDR	527	150
Lesotho	188	-
Libya	130	-
Madagascar	178	-
Malaysia	593	-
Maldives	-	199
Mali	-	110
Mauritania	872	120
Mauritius	325	-
Mongolia	656	548
Montenegro	-	145
Morocco	150	330
Mozambique	120	-

NOTES TO THE FINANCIAL STATEMENTS

(In '000 USD)	2018	2017
Myanmar	452	-
Namibia	286	244
Nauru	130	-
Nepal	419	-
Niger	501	-
Niue	295	-
Oman	100	150
Northern Macedonia	246	-
Pakistan	79	125
Palestine	414	-
Panama	517	-
Papua New Guinea	220	-
Paraguay	573	-
Peru	366	-
Republic of Congo	501	-
Republic of Marshall Islands	400	-
Republic of Moldova	80	83
Rwanda	424	130
Saint Kitts and Nevis	309	-
Saint Lucia	60	-
Saint Vincent and the Grenadines	-	120
Senegal	-	260
Serbia	130	-
Seychelles	305	-
South Africa	195	-
South Sudan	152	-
Sudan	273	-
Tajikistan	150	-
Thailand	548	104
Timor-Leste	150	-
Togo	100	-
Tonga	140	330
Tunisia	-	250
Uruguay	492	185
Vanuatu	269	470
Vietnam	130	-
Zimbabwe	999	-
	28,931	**8,164**

NOTES TO THE FINANCIAL STATEMENTS

d) National Adaptation Plans (NAPs)

Details of National Adaptation Plan grants by country for the years ended December 31, 2018 and December 31, 2017 are as follows:

(In '000 USD)	2018	2017
Antigua and Barbuda	500	-
Armenia	385	-
Colombia	350	-
Kenya	779	-
Liberia	-	805
Nepal	-	465
Pakistan	675	-
Total	**2,689**	**1,270**

e) Project Preparatory Facility (PPF)

Details of Project Preparatory Facility grants by Implementing Partner for the years ended December 31, 2018 and December 31, 2017 are as follows:

(In '000 USD)	2018	2017
Caribbean Community Climate Change Centre (CCCCC)	363	-
Agency for Agricultural Development of Morocco (ADA)	557	-
Development Bank of Latin America (CAF)	1,078	-
Ministry of Environment - Rwanda (MINIRENA)	166	719
United Nations Development Programme (UNDP)	934	-
United Nations Environmental Programme (UNEP)	279	-
United Nations Office of Project Services (UNOPS)	584	-
World Meteorological Organization (WMO)	-	429
Total	**3,961**	**1,148**

NOTES TO THE FINANCIAL STATEMENTS

16. CONTINGENT LIABILITIES

Contingent liabilities for Readiness & Preparatory Support Programme, and Project Preparation Facility (PPF) as of December 31, 2018 and 2017 are analyzed below

a) Readiness & Preparatory Support Programme

(In '000 USD)	2018	2017
Approved	123,445	83,298
Disbursed as end of December **	(32,618)	(15,286)
Total Committed	**90,827**	**68,012****

** In 2017, the amounts were split into Readiness Grants and National Adaptation Plans (NAPs) disbursements

b) Project Preparation Facility

(In '000 USD)	2018	2017
Funds approved	10,827	5,181
Disbursed as at end of December	(5,609)	(1,648)
Total Commitment	**5,218**	**3,533**

NOTES TO THE FINANCIAL STATEMENTS

c) Project Funding Decisions

The total value of projects approved by the GCF Board excluding lapsed projects is as below:

Board Meeting	*Amount (In '000 USD)*
11th Board Meeting	145,825
13th Board Meeting	256,614
14th Board Meeting	745,549
15th Board Meeting	165,175
16th Board Meeting	766,018
18th Board Meeting	392,859
19th Board Meeting	1,091,515
21st Board Meeting	1,031,194
22nd Board Meeting	440,078
Disbursements for approved projects as at end of February 2019	(442,372)
Total	**4,592,455**

17. LEASE

Under the agreement between the Ministry of Strategy and Finance of the Republic of Korea, The Incheon Metropolitan City of the Republic of Korea and The Green Climate Fund signed on 8th October 2013, Incheon City provides to the Fund the use of premises free of payment of rental for the entire duration of the Fund's operation in Songdo.

NOTES TO THE FINANCIAL STATEMENTS

18. RELATED PARTIES

Related parties include the members of the board, board committees, senior management and close family members of the board, board committees and senior management. There was no loan to or from related parties outstanding as at 31 December 2018 and 2017. The Fund does not remunerate its Board members. All transactions with the board are made at terms equivalent to an arm's length transaction within the operational framework of the Secretariat.

Remuneration of key management for 2018 and 2017 is as below:

(In '000 USD)	2018	2017
Salaries	3,348	2,715
Retirement plan	603	489
Other Benefits	1,312	1,079
Termination benefits	34	-
Total	**5,297**	**4,283**