Annex I: Audited financial statements of the Green Climate Fund for the year ended 31 December 2020

The audited financial statements of the Green Climate Fund for the year ended 31 December 2020 are contained below.

GREEN CLIMATE FUND

Green Climate Fund Draft audited Financial Statements

For the years ended December 31, 2020 and 2019

Prepared Under International Financial Reporting Standards

GREEN CLIMATE FUND

Contents

OVERVIEW OF FINANCIAL RESULTS

The Financial Statements for the Green Climate Fund (GCF/the Fund) have been prepared following the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The Financial Statements are presented in US dollars which is the Fund's reporting and functional currency. Unless otherwise stated, the figures are rounded to the nearest thousand.

Financial Performance

GCF's income for the year 2020 increased by 364% compared to the 2019 figure. Following the successful replenishment exercise in 2019, contributors deposited a substantial portion of cash and promissory notes in 2020. The new contributions were the cause of the substantial increase in revenue in 2020. GCF has undertaken two formal resource mobilization drives since its inception. The initial resource mobilization (IRM) was meant to secure funds for 2015 – 2018 programming period. Most of the contributions for the IRM period were received gradually until 2019 when the replenishment exercise was conducted. The funds secured in first replenishment exercise are projected to support programming for 2020 - 2023.

GCF also gained from favorable foreign exchange movements in 2020, realizing 5 million on encashments of promissory notes. Although program implementation continued to drive up the expenditure, which was up by 57%, The increase in income outweighed the expenditure resulting in a 1,184% increase in the net income. The summary of financial performance is as per figure 1 below, while the comparison to 2019 expenditure is shown in table 1.

Figure 1: Summary of GCF 2020 financial performance

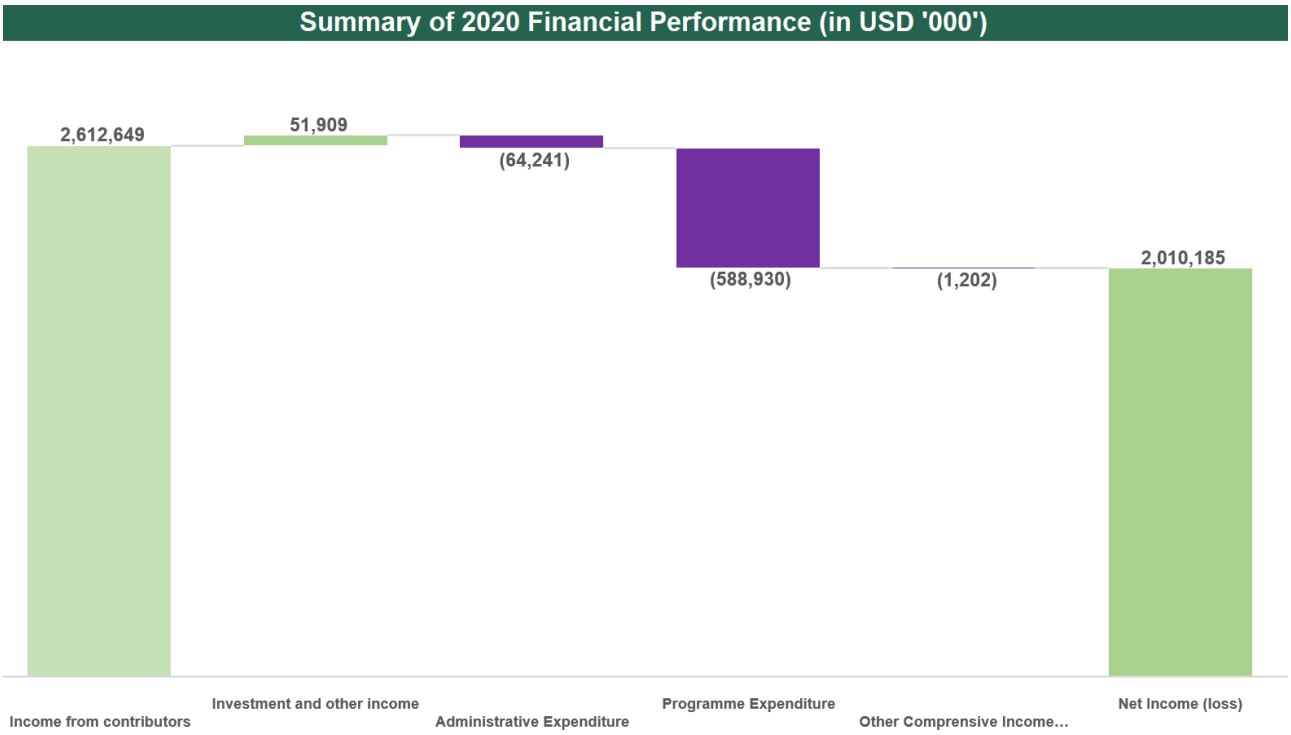


Table 1: Comparison of GCF 2020 and 2019 financial performance

Comparison of 2020 and 2019 Financial Performance (in USD '000')

	2020	2019	Change	% change
Income	2,664,558	573,832	2,090,726	▲364%
Expenditure	(653,171)	(417,232)	(235,939)	▲ 57%
Other comprehensive income (loss)	(1,202)	0	(1,202)	▼-100%
Net Income	**2,010,185**	**156,600**	**1,853,585**	▲1184%

Income

In 2020, the Fund's income from contributors, the largest source of income, increased by 461% over 2019 as contributors started paying up their pledges for the GCF-1. The significant reductions in interest rates by different countries in response to the COVID-19 adversely impacted the revenue realized from investments mainly in short-term government securities. As such, investment income declined 59% compared to the 2019 income. On the other hand, the Fund continued to realize more loan interest and other income reflows from investments. The increase was 76% and 115%, as shown in table 2. As shown in figure 2, income from contributors remains to be the largest source of income, making up 98% of the income, while the other components added up to 2% of the total income

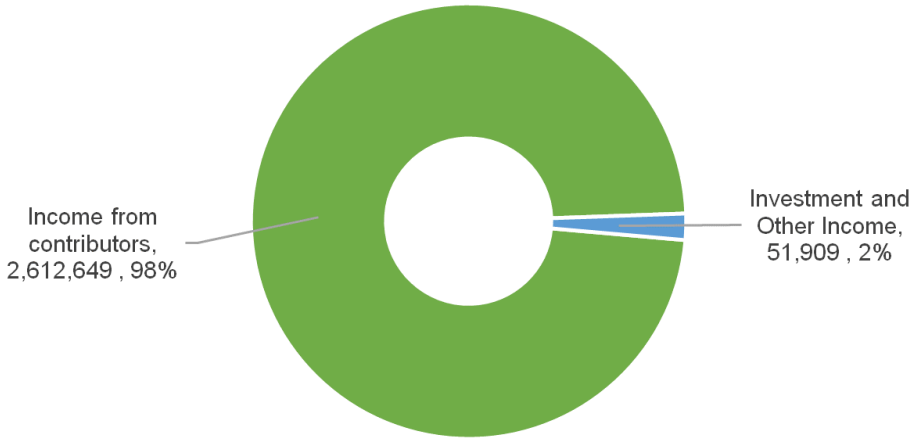
Table 2: Summary of the Fund's Income

Comparsion of the Fund's 2020 and 2019 income (in USD '000')

	2020	2019	Change	% change
Income from contributors	2,612,649	465,479	2,147,170	▲461%
Trust fund investment income	42,226	103,252	(61,026)	▼-59%
Loan Interest	5,778	3,285	2,493	▲76%
Other Income	3,905	1,816	2,089	▲115%
Total Income	**2,664,558**	**573,832**	**2,090,726**	**▲364%**

Figure 2: Analysis of 2020 income by type

Analysis of 2020 income by type (in USD '000')



Expenses

The 2020 grant expenditure for approved projects and the readiness and preparatory support programme increased by 88% and 72%, respectively, over the 2019 expenditure due to the increased implementation and disbursement in these areas. On the other hand, COVID-19 impacted recruitment, travel, and some of the Accredited Entities (AE) and Delivery Partner (DP) operations, resulting in decreased administrative expenses, AE fees disbursements, and project preparation facility when compared to the 2019 expenditure. However, the decrease was marginal at 5%, 8%, and 9%, respectively. Overall, the total expenditure increased by 57% over the 2019 expenditure. The summary of the expenses is shown in table 3.

Table 3: Summary of 2020 and 2019 expenses

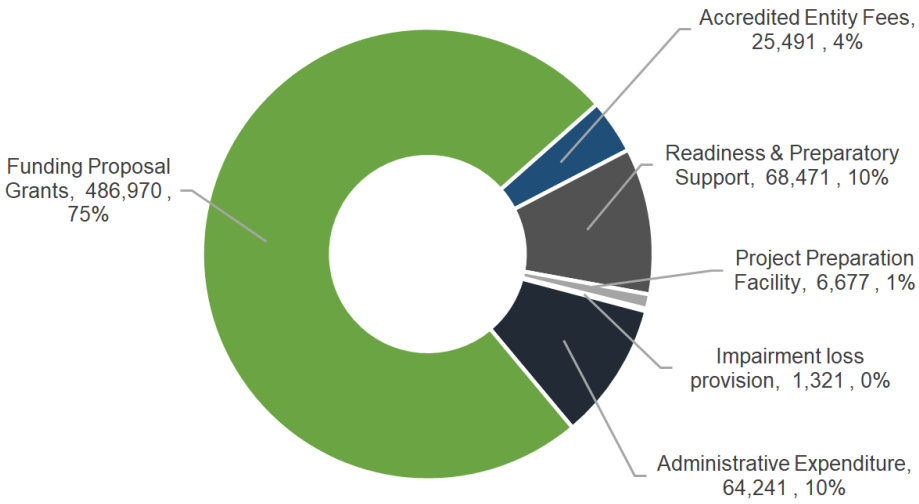
Summary of the Fund's expenses in 2020 and 2019 (in USD '000')

	2020	2019	Change	% change
Impairment loss provision	1,321	16,275	(14,954)	▼ -92%
Administrative Expenditure	64,241	67,462	(3,221)	▼ -5%
Funding Proposal Grants	486,970	258,489	228,481	▲ 88%
Accredited Entity Fees	25,491	27,779	(2,288)	▼ -8%
Readiness & Preparatory Support	68,471	39,896	28,575	▲ 72%
Project Preparation Facility	6,677	7,331	(654)	▼ -9%
Total Expenses	**653,171**	**417,232**	**235,939**	**▲ 57%**

GCF's 2020 expenditure totaled 653 million. Out of this, 589 million (90%) was spent on programme expenses while 64 million (10%) of the expenditure was spent on administrative expenses. The composition of the expenditure is shown in figure 3.

Figure 3: Analysis of 2020 expenses by type

Analysis of 2020 expenses by type (in USD '000')



Financial Position

For the year ended 31st December 2020, the Fund's assets increased by 30% over the 2019 figure due to increased cash inflow from contributors. The Fund's liabilities increased by 8%. The increase is attributable to an exchange rate fluctuation on a loan denominated in euros from one of the contributors. Overall, as shown in table 4, the net assets increased by 31%. The summary of the financial position as of 31st December 2020 is shown in figure 4 below.

Out of the 8.4 billion available as of 31st December 2020, 6.1 billion (73%) is committed by means of approved funding proposals, project fees, and to support the Readiness and Preparatory support programme. The committed funds by amounts and type, and progress of disbursements are shown in table 5 and figure 5 below:

Table 4: GCF's summary of financial position as of 31st December 2020 and 31st December 2019

Summary of Financial Position as at 31st December 2020 (in USD '000')

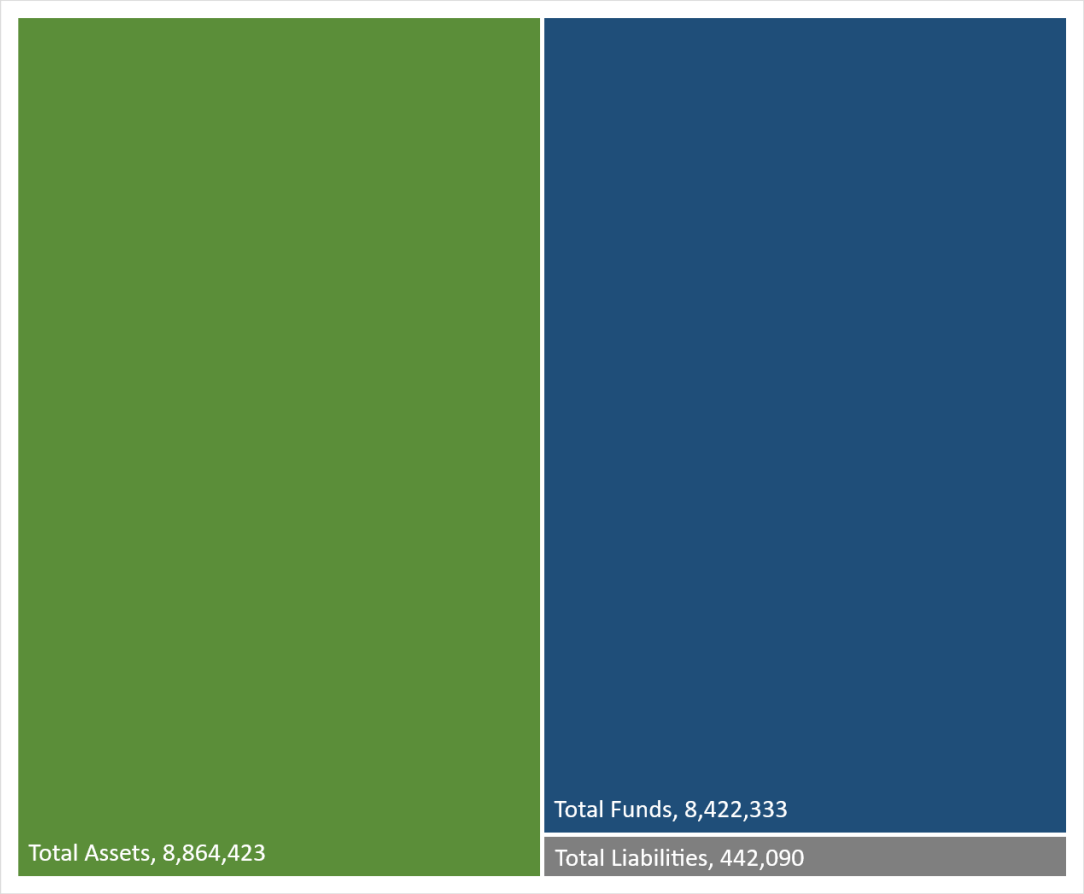


Figure 4: Summary of GCF's financial position as of 31st December 2020

Summary of the Fund's financial position in 2020 and 2019 (in USD '000')

	2020	2019	Change	% change
Total Assets	8,864,423	6,820,300	2,044,123	▲ 30%
Total Liabilities	(442,090)	(408,152)	(33,938)	▲ 8%
Total Funds/net assets	**8,422,333**	**6,412,148**	**2,010,185**	▲ 31%

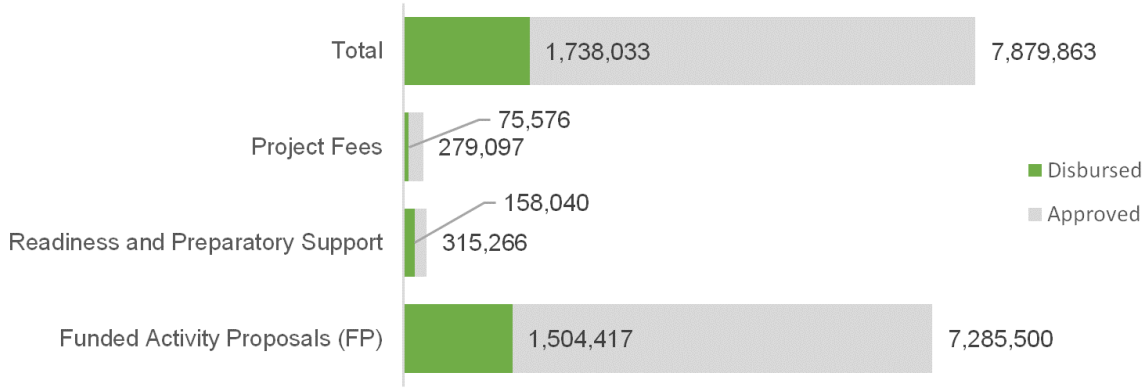
Table 5: Summary of committed funds as of 31st December 2020[1]

Summary of committed funds as at 31st December 2020 (in USD '000')

	Approved	Disbursed	Committed
Funded Activity Proposals (FP)	7,285,500	1,504,417	5,781,083
Readiness & Preparatory Support	315,266	158,040	157,226
Project Fees	279,097	75,576	203,521
Total	**7,879,863**	**1,738,033**	**6,141,830**

Figure 5: Progress of disbursements for approved projects as at 31st December 2020

Disbursements progress as at 31st December 2020 (in USD '000')



Assets

In 2020, GCF's cash and due from banks increased by 14% over the 2019 figure. Contribution receivables increased by 69% over the 2019 figure. The increase was driven by increased cash inflows and promissory notes deposits by contributors to meet their GCF-1 pledges. At the same time, there was also an increase in loan receivables and investments in equity over the 2019 figures following increased implementation of the approved projects. The increase was 14% and 266%, respectively. The increase in cash and due from banks and contributions receivable outweighed the increased demand for disbursement for loans and equity investments. As a result, the total assets increased by 30% over the 2019 figure. Table 6 below summarizes the comparison between 2020 and 2019 figures.

[1] The figures are cumulative to date

Table 6: Changes in the Fund's assets over 2019

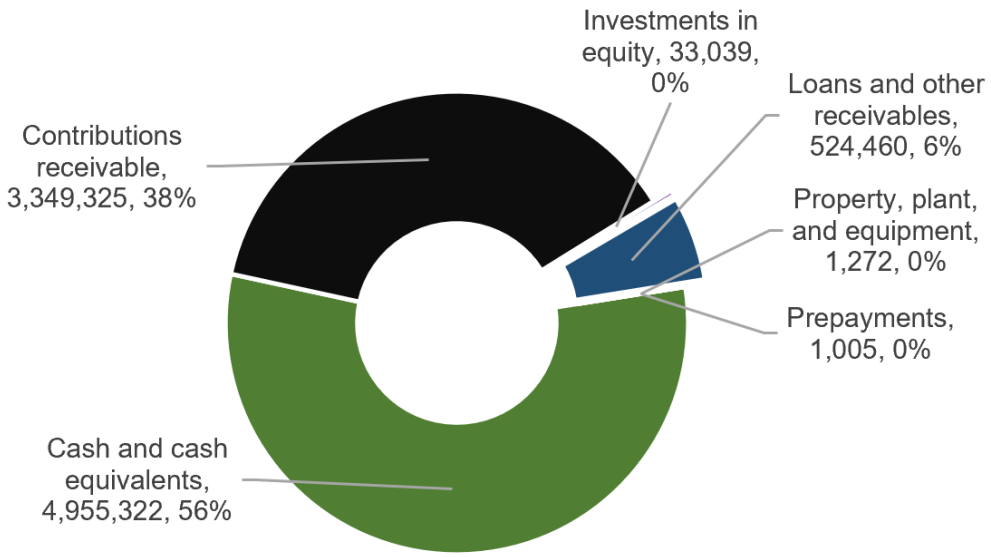
Summary of the Fund's assets in 2020 and 2019 (in USD '000')

	2020	2019	Change	% change
Cash and due from banks	4,955,322	4,365,306	590,016	▲ 14%
Contribution receivables	3,349,325	1,983,452	1,365,873	▲ 69%
Investments in equity	33,039	9,034	24,005	▲ 266%
Loans and other receivables	524,460	460,168	64,292	▲ 14%
Property, plant, and equipment	1,272	1,264	8	▲ 1%
Prepayments	1,005	1,076	(71)	▼ -7%
Total Assets	**8,864,423**	**6,820,300**	**2,044,123**	▲ **30%**

As of 31st December 2020, the largest portion of GCF's assets (56%) comprised of cash and due from banks followed by 38% in the form of contribution receivables (i.e., promissory notes deposited by IRM[2] and GCF-1 contributors). The promissory notes are expected to be encashed gradually until 2028. As shown in figure 6 below, the balance of 6% comprises loans and other receivables, investment in equity, property, plant and equipment, and Prepayments.

Figure 6: GCF's assets composition as of 31st December 2020

Composition of the Fund's assets in 2020 (in USD '000')



[2] Initial Resource Mobilization

Liabilities

The Fund's liabilities increased by 8% over the 2019 figure, mainly due to exchange rate fluctuation on a euro-denominated loan. Other increases in liabilities were due to increased dues to vendors and provisions for employee leave entitlements. The changes in liabilities and the composition of liabilities as of 31st December 2020 is summarized in table 7 and figure 7 below.

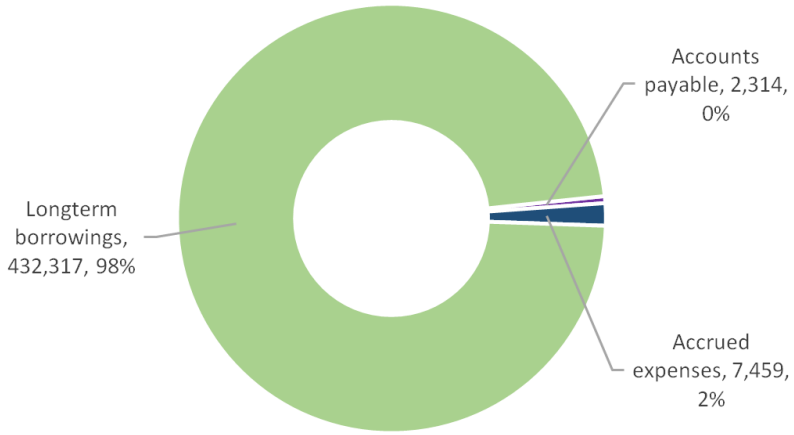
Table 7: Change in the Fund's liabilities over 2019

Summary of the Fund's liabilities in 2020 and 2019 (in USD '000')

	2020	2019	Change	% change
Accounts payable	2,314	1,043	1,271	▲ 122%
Accrued expenses	7,459	4,632	2,827	▲ 61%
Longterm borrowings	432,317	402,477	29,840	▲ 7%
Total Liabilities	**442,090**	**408,152**	**33,938**	**▲ 8%**

Figure 7: GCF's liabilities composition as of 31st December 2020

Composition of the Fund's liablities in 2020 (in USD '000')



Cashflow

The GCF cashflow position as of 31st December 2020 remained relatively similar to the 31st December 2019. Significant movements were witnessed in cash flow from operations given the realized foreign exchange gains and increased cash from contributors, which were more than disbursements made for programme activities and administrative expenses. Disbursements for loans and equity investments reduced by 58%. There were no cash movements in financing activities. Overall, there was a net increase of 590 million (14%) over the 2019 balance. The summary of the changes is shown in table 8 and figure 8 below.

Figure 8: Changes in GCF cashflow position in 2020

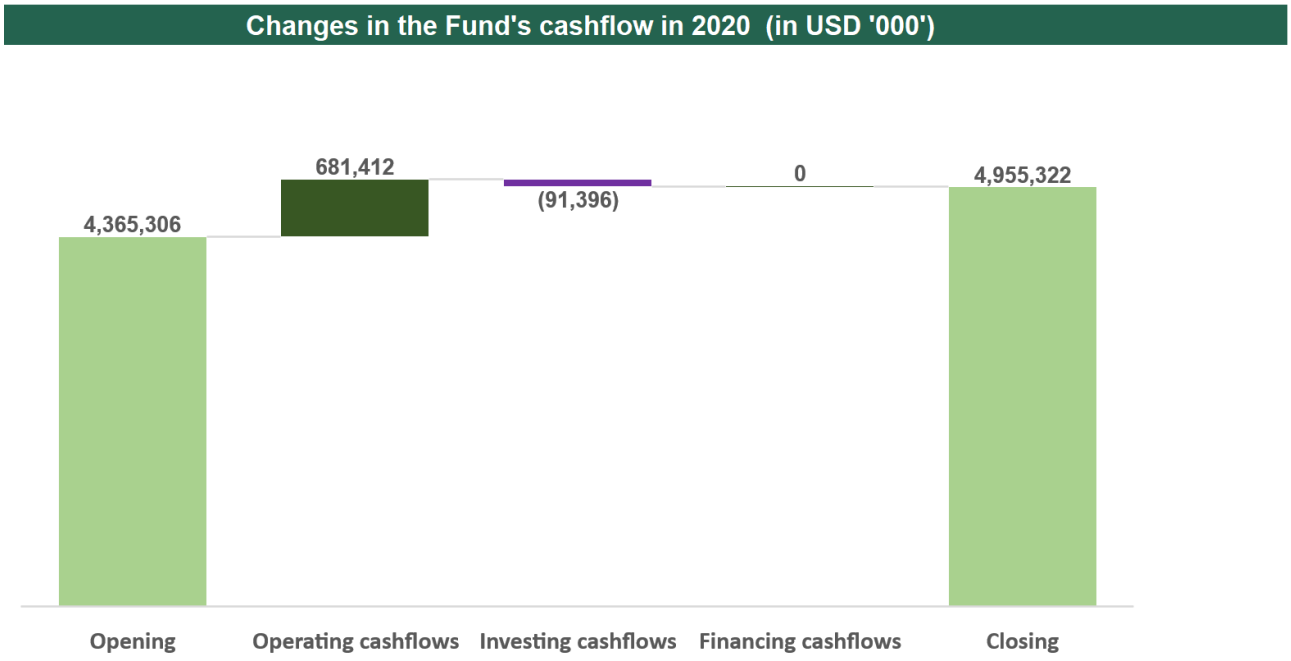


Table 8: Comparison of GCF's cashflow position in 2020 and 2019

Summary of the Fund's cashflow in 2020 and 2019 (in USD '000')

	2020	2019	Change	% change
Cashflow from operations	681,412	664,465	16,947	▲ 3%
Cashflow from investing activities	(91,396)	(219,396)	128,000	▼ -58%
Cashflow from financing activities	0	82,479	(82,479)	▼ -100%
Beginning cash and cash equivalents	4,365,306	3,837,758	527,548	▲ 14%
Closing cash and cash equivalents	**4,955,322**	**4,365,306**	**590,016**	**▲ 14%**

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 statement of financial position as of 31st December 2020, the statement of comprehensive income, the statement of changes in funds, and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of 31st December 2020, and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards("IFRS").

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' 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 opinion.

Other Matters

The financial statements of the Fund for the year ended 31st December 2019, presented herein for comparative purpose, were audited by Grant Thornton Daejoo whose report dated on 16 May 2020, expressed an unmodified opinion on those statements.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines that is necessary to enable the preparation of financial statements 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, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities 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 auditors' 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 it is not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used in the preparation of the financial statements 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 auditors' 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 auditors' 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Seoul, Korea

July xx, 2021

This report is effective as of July xx, 2021, 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 the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

STATEMENTS OF FINANCIAL POSITION

As of 31st December 2020 and 2019

(In '000 USD)	Note	2020	2019
Assets			
Cash and due from banks	5, 6	4,955,322	4,365,306
Contribution receivables	6,7	425,081	441,620
Prepayments	-	1,005	1,076
Other receivables	-	34	162
Total current assets		**5,381,442**	**4,808,164**
Contribution receivables	6,7	2,924,244	1,541,832
Investment in equity	6,8	33,039	9,034
Loan receivables	6,8	524,426	460,006
Property, plant and equipment, net	9	1,272	1,264
Total non-current assets		**3,482,981**	**2,012,136**
Total assets		**8,864,423**	**6,820,300**
Funds and Liabilities			
Account payables	6	2,314	1,043
Accrued expenses	6	7,459	4,632
Total current liabilities		**9,773**	**5,675**
Long-term borrowings	6,10	393,318	360,257
Deferred income	10	38,999	42,220
Total non-current liabilities		**432,317**	**402,477**
Total liabilities		**442,090**	**408,152**
Temporarily restricted funds	11	4,059,828	2,657,851
Unrestricted funds		4,362,505	3,754,297
Total funds		**8,422,333**	**6,412,148**
Total liabilities and funds		**8,864,423**	**6,820,300**

See accompanying notes to the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31st December 2020 and 2019

(In '000 USD)	Note	2020	2019
Income			
Income from contributors	12	2,612,649	465,479
Investment & other income	13	51,909	108,353
Total income		**2,664,558**	**573,832**
Expense			
Administrative expenses	14	64,241	67,462
Programme expenses (including expected credit loss provision)	8B, 15	588,930	349,970
Total expense		**653,171**	**417,232**
Increase in fund for the year		**2,011,387**	**156,600**
Other Comprehensive Income (loss)		-	-
FV gain(loss) on investments	8A	(1,202)	-
Total comprehensive income for the year		**2,010,185**	**156,600**

See accompanying notes to the financial statements

STATEMENTS OF CHANGES IN FUNDS

For the years ended 31st December 2020 and 2019

(In '000 USD)

	Temporarily restricted funds	Unrestricted funds	Total
As at 1 January 2019	**3,075,929**	**3,179,619**	**6,255,548**
Fund released from restriction	(529,862)	529,862	-
Reclassification to restricted funds	64,000	(64,000)	
Comprehensive income	47,784	108,816	156,600
As at 31st December 2019	**2,657,851**	**3,754,297**	**6,412,148**
As at 1 January 2020	**2,657,851**	**3,754,297**	**6,412,148**
Fund released from restriction	(350,624)	350,624	-
Comprehensive income	1,752,601	257,584	2,010,185
As at 31st December 2020	**4,059,828**	**4,362,505**	**8,422,333**

See accompanying notes to the financial statements.

STATEMENTS OF CASH FLOWS

For the years ended 31st December 2020 and 2019

(In '000 USD)	2020	2019
Cash flows from operating activities		
Cash receipts from contributors	1,271,731	957,223
Interest Income	48,074	103,252
Other income	3,661	6,087
Cash paid to suppliers & personnel	(59,228)	(62,038)
Program Payments	(587,609)	(333,495)
Realised foreign currency gain/(loss)	4,783	(6,564)
Net cash provided by (used in) operating activities	**681,412**	**664,465**
Cash flows from investing activities		
Acquisition of property, plant, and equipment	(722)	(447)
Investment in equity	(25,207)	(889)
Loans to Accredited Entities/GCF Funded Projects	(65,467)	(218,060)
Net cash provided by (used in) investing activities	**(91,396)**	**(219,396)**
Cash flows from financing activities		
Loan from contributors	-	82,479
Net cash from financing activities	**-**	**82,479**
Net increase in cash and due from banks	**590,016**	**527,548**
Cash and due from banks at the beginning of the year	**4,365,306**	**3,837,758**
Cash and due from banks at the end of the year	**4,955,322**	**4,365,306**

See accompanying notes to the financial statements.

For the years ended 31st December, 2020 and 2019

1. REPORTING ENTITY

The Green Climate Fund (GCF/the 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 December 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.

The Fund is governed and supervised by a Board that has full responsibility for funding decisions and 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 comprises 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 2020 were authorized for issue by the Fund's Board on _____.

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 following 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 presented 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 thousand unless otherwise indicated.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements under 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.

3. APPLICATION OF NEW AND REVISED IFRS

NEW STANDARDS, INTERPRETATIONS, AND AMENDMENTS ADOPTED DURING 2020

The following new standards, interpretations, and amendments to existing standards have been published and are mandatory for the Fund for annual periods beginning after 1st January 2020.

3-1. Enactment of IFRS 3 Business Combination – Definition of a Business

The amendments clarify the definition of business and related components necessary to determine whether an acquired set of activities and assets is a business or not.

To consider an acquired set of activities and assets as a business, the amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs and excludes economic benefits from the lower costs. An entity can apply a concentration test, an optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset or a group of similar assets. The assets acquired would not represent a business. The amendments do not have a significant impact on the financial statements.

3-2. Amendment to IAS 1 Presentation of Financial Statements and IAS 8 Accounting policies, changes in accounting estimates and errors - Definition of Material

The amendments consistently arranged and clarified the definitions of material among standards, including the conceptual framework, by defining the information is as material if it can reasonably be expected to affect the decisions made by the primary users of the general purpose financial statements that provide financial information about a particular reporting entity by omitting, misrepresenting or clarifying the information. The amendments do not have a significant impact on the financial statements.

3-3. Amendments to IFRS 9 Financial Instruments, IFRS 9 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosure – Interest Rate Benchmark Reform

The amendments allow applying the exceptions when a forward-looking analysis is performed concerning the application of hedge accounting while uncertainties arising from interest rate benchmark reform exist. The exceptions require the Fund to assume that the interest rate benchmark on which the hedged items and the hedging instruments are based is not altered as a result of interest rate benchmark reform when determining whether the expected cash flows are highly probable, whether an economic relationship between the hedged item and the hedging instrument exists, and when assessing the hedging relationship is highly effective. The amendments do not have a significant impact on the financial statements.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

New accounting standards and interpretations that have been published that are not mandatory for the reporting period commencing 1st January 2020 and have not been early adopted by the Fund are set out below.

3-4. Amendments to IFRS 3 – Business Combinations by issuing Reference to the Conceptual Framework

The amendments update a reference of the definition of assets and liabilities to qualify for recognition in the revised Conceptual Framework for Financial Reporting. However, the amendments add an exception for recognizing liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The amendments also confirm that contingent assets should not be recognized at the acquisition date. The amendments should be applied for annual periods beginning on or after 1st January 2022, and earlier application is permitted. The Fund does not expect that these amendments have a significant impact on the financial statements.

3-5. Amendments to IFRS 16 - Property, Plant and Equipment: Proceeds before Intended Use

The amendments require to recognize the proceeds from selling such items and the costs of producing those items, as profit or loss while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management and to discloses the proceeds and the costs included in profit or loss. The amendments should be applied for annual periods beginning on or after 1 January 2022, and earlier application is permitted. The Fund does not expect that these amendments have a significant impact on the financial statements.

3-6. Amendments to IAS 37 Provisions, Contingent Liabilities, and Contingent Assets – Onerous Contracts: Cost of Fulfilling a Contract

The amendments clarify when identifying a loss-bearing contract. It was clarified that the scope of the contract's implementation costs is the allocation of incremental costs for contract execution and other costs directly related to contract performance. This amendment will be applied for annual periods beginning on or after 1st January 2022, and early application is permitted. The Fund expects the amendment to have no significant impact on its financial statements.

3-7. Amendments to IAS 1 Presentation of Financial Statements - Classification of Current Liability and Non-current Liability

Classification as current or non-current depends on the actual rights existing as of the end of the reporting period. It does not consider the exercise of the right to defer payment of the liability or management expectations. If the liability satisfies the criteria for the classification of non-current liability, it is classified as a non-current liability, even if management intends or anticipates settlement of the liability within 12 months of the reporting period or between the end of the reporting period and the date of approval for the issue of financial statements.

In addition, the payment of a liability includes the transfer of its own equity instrument, except if the option to settle from a compound financial instrument meets the definition of an equity

instrument and is recognized separately from the liability.

This amendment applies retrospectively after the commencement date of the first fiscal year beginning on or after 1st January 2023 and is permitted for early application. The Fund does not expect that these amendments have a significant impact on the financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. CASH AND DUE FROM BANKS

Cash and due from banks 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.

C. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment are initially measured at cost. After initial recognition, property, plant, and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

The cost of property, plant, and equipment comprises its purchase price and all other incidental expenses incurred to bring the asset to its working condition for its intended use.

Subsequent costs are recognized in the carrying amount of property, plant, and equipment at cost or, if appropriate, as separate items if it is probable that future 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, plant, and equipment are depreciated on a straight-line basis over the estimated useful lives of each part of an item of property, plant, and equipment. The estimated useful lives for the current period are as follows:

Item of property, plant, and equipment	Useful life
Computer equipment, Software* and IT infrastructure	3 years
Leasehold Improvements	10 Years
Office Equipment and Furniture	3 Years
Motor Vehicles	5 Years

* The software included under this category is judged to be an integral part of the computer equipment.

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

Depreciation is charged 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 that 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 initially booked, and (b) translation of balances of foreign currency-denominated monetary items as at the 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.

E. ACCOUNTING FOR CONTRIBUTIONS

E1.1 Revenue recognition

Contributions, including unconditional promises 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 when such contributions are received.

Contributions, including conditional promises 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 when such contributions are received, unless there is a doubt that the Fund will be able to use the contributions for their intended purposes, in which case the revenue is recognized only to the extent of the expenses incurred during the year.

E1.2 Contribution receivables

The Fund recognizes contribution receivables where there is reasonable assurance that the contributions will be received, but the cash has not been received. Contribution receivables are stated at their cost net of an allowance for uncollectible contributions.

Promissory notes receivable are measured initially at fair value by discounting the future cash flows with the appropriate discount rates, reflecting the duration and credit risk of the issuer and presented at amortized cost using the effective rate method at each reporting date. At the end of each reporting period, the Fund assesses 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 their intended purposes, in which case, 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 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 associated underlying expenditures 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 an impairment loss.

Associates are all entities over which the Fund has significant influence (that is, the power to participate in the investee's financial and operating policy decisions) 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 two or more parties having 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 following *"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 de-commit funds if conditions are not met, or funding is not available. Accordingly, the point of Board approval is not considered a constructive obligation as defined under IAS 37.

Following the Board's approval, the grants are governed by a written grant agreement that includes substantive conditions based on performance. There is no constructive obligation for the total 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.

G1.2 Recognition of grants payable and expenditure

The recognition of grants payable is determined when the conditions are met and the accredited entity makes the disbursement request. At this point, the Fund has a constructive obligation to the accredited entity. Therefore, the amount requested for disbursement is 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. They are subject to the same valuation policy, risk assessment, and asset impairment as contributions recoverable from a 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 1 January 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 directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

H1.1.2.1 Debt instruments

Subsequent measurement of debt instruments depends on the Fund's business model for managing the asset and the asset's cash flow characteristics. 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 solely represent 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 Expected Credit Losses (ECL)

As per the IFRS 9 guidance, GCF makes an allowance for expected credit losses (ECL) using a 3-Stage approach.

Stage 1: For financial instruments whose credit risk is assessed not to have increased significantly since initial recognition, a loss allowance equal to 12-month expected credit losses is measured. However, where significant cashflows relating to a financial instrument only arise after 12 months, the loan is automatically allocated to Stage 2.

Stage 2: If the credit risk on a financial instrument is assessed to have increased significantly since initial recognition, but the financial instrument is not assessed to be credit-impaired, a loss allowance equal to lifetime expected credit losses is measured.

Stage 3: Financial instruments deemed to be credit-impaired are classified in stage 3. For such instruments, cumulative changes in lifetime expected credit losses are recognized.

Expected credit losses are measured in a manner that reflects:

a) **An unbiased and probability-weighted amount determined by evaluating a range of possible outcomes**.
   In this respect, three possible scenarios (worst case, most likely case, and best case) are considered. The current weighting for the possible scenarios is 25%, 50%, and 25%, respectively.
b) **The time value of money.**
   The measured credit losses are discounted to the reporting date using the effective interest rate determined or approximated at initial recognition to account for the time value of money.
c) **Reasonable and supportable information available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions**.
   Accredited Entities assess the final recipients of the loans, and GCF may not have access to detailed information regarding the final recipients. Reliance is thus placed on the Accredited Entities to make assessments regarding the credit losses. GCF makes further provisions and estimates based on the information received from accredited entities.

For both 12-month and Lifetime expected credit losses, ECL is estimated using the formula below:

$$ECL = PD \times LGD \times EAD$$

The probability of Default (PD) is calculated based on the credit rating of the final borrower. Where the final borrower is not known at the time the Accredited Entity draws down the loan, an estimate of the rating is made based on the average rating for the region.

Loss Given Default (LGD) is set at 45% for all loans based on the International Convergence of Capital Measurement and Capital Standards guidance for LGD for unsecured claims or unrecognized collaterals.

Exposure at Default (EAD) is calculated as the gross balance as at the reporting date.

H1.1.2.3 Equity Instruments

The Fund subsequently measures all equity investments in which the Fund does not hold a significant influence 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.

H1.1.3 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 all the risks and rewards of ownership substantially. 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 classifies the financial liability as "borrowings" in the statement of financial position.

H1.1.4 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. It must also be enforceable in the ordinary 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 to repurchase 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 'account payables,' '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 applicable interest rate.

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 no more than charges for public utility services. It is also exempt from all indirect taxes, including any value-added or similar taxes and excise duties levied on imported goods and services for official purposes.

K. RISK MANAGEMENT

The Fund is exposed to various risks (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 frameworks. 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 following the World Bank's policies and procedures for the investment of trust funds administered by the World Bank.

L. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the Fund to make estimates and assumptions concerning the future. Management also needs to exercise judgment in applying the Fund's accounting policies. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the resulting accounting estimates will, by definition, seldom equal the related actual results, It can contain a significant risk of causing material adjustment.

In 2020, the spread of Coronavirus disease 2019 ("COVID-19") had a material impact on the global economy. It may have negative consequences such as decreased productivity, decrease or delay in collecting existing receivables, and others. Accordingly, it may have a negative impact on the financial position and financial performance of the Fund.

Critical accounting estimates and assumptions used in preparing financial statements can be adjusted according to changes in uncertainty caused by COVID-19. The ultimate impact on business, financial position, and business performance is currently unpredictable.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Additional information on significant judgment and assumptions of certain items are included in relevant notes.

L1. The fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using

valuation techniques. The Fund uses its judgment to select various methods and make assumptions based on market conditions existing at the end of each reporting period.

L2. Impairment of financial assets

The allowance for impairment for financial assets is based on assumptions about the risk of default and expected loss rates. The Fund uses judgment in making these assumptions and selecting the inputs to the impairment calculation based on the Fund's past history, existing market conditions, and forward-looking estimates at the end of each reporting period.

M. EVENTS AFTER THE REPORTING DATE

Post-year-end events that provide additional information about the Fund's 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.

5. CASH AND DUE FROM BANKS

(a) Cash and due from banks as of 31st December 2020 and 2019 are summarized as follows:

(In '000 USD)	2020	2019
Balance held in the GCF Trust Fund (at the World Bank)	4,939,512	4,352,711
Balances held in local Commercial Banks	15,810	12,595
Total	**4,955,322**	**4,365,306**

The World Bank is serving as the Trustee of the Fund. The Trustee administers contributions received in the Trust Fund following 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 22 April 2015 between the Fund and the Trustee (the "GCF Trust Fund Agreement"). The Fund signed a revised agreement with the World Bank on 12 April 2019. Under the revised agreement, the World Bank shall continue to provide trustee services for the four years up to 11 April 2023.

The Local Commercial Banks used by the GCF in the Republic of Korea are Shinhan Bank and Nonghyup Bank.

(b) Cash and due from banks denominated in foreign currencies as of 31st December 2020 and 2019 are as follows:

	2020			2019		
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	208,946	1.2275	256,481	409,700	1.1228	460,011
GBP	12	1.2639	15	-	-	-
KRW	555,402	0.0009	479	352,152	0.0009	317
NZD	-	-	-	15,000	0.6739	10,109

* The exchange rate is stated in terms of Foreign Currency/USD and rounded off to 4 decimals for presentation purposes.

6. FINANCIAL INSTRUMENTS BY CATEGORIES

(a) Categories of financial assets as of 31st December 2020 and 2019 are summarized as follows:

(i) 31st December 2020				
(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 due from banks	4,955,322	-	-	4,955,322
Contribution receivables	3,349,325	-	-	3,349,325
Loan Receivables	524,426	-	-	524,426
Investments in equity	-	33,039	-	33,039
Total	**8,829,073**	**33,039**	**-**	**8,862,112**
(ii) December 31 2019				
(In '000 USD)	Financial assets measured at amortized cost	Financial assets measured at FVTOCI	Financial assets measured at FVTPL	Total Amount
Cash and due from banks	4,365,306	-	-	4,365,306
Contribution receivables	1,983,452	-	-	1,983,452
Loan receivables	460,006	-	-	460,006
Investments in equity	-	9,034	-	9,034
Total	**6,808,764**	**9,034**	**-**	**6,817,798**

(b) Categories of financial liabilities as of 31st December 2020 and 2019 are summarized as follows:

(i) 31st December 2020			
(In '000 USD)	Financial liabilities measured at amortized cost	Financial liabilities measured at FVTPL	Total Amount
Financial Liabilities			
Account payables	2,314	-	2,314
Accruals	7,459	-	7,459
Long-term borrowings	393,318	-	393,318
Total	**403,091**	**-**	**403,091**
(ii) December 31 2019			
(In '000 USD)	Financial liabilities measured at amortized cost	Financial liabilities measured at FVTPL	Total Amount
Account payables	1,043	-	1,043
Accruals	4,632	-	4,632
Long-term borrowings	360,257	-	360,257
Total	**365,932**		**365,932**

(c) Detail of net gains (or losses) on each category of financial instruments by category for the years ended 31st December 2020 and 2019 are summarized as follows:

	2020			2019		
(In '000 USD)	Equity, Loans, and receivables	Other assets	Financial liabilities	Loans and receivables	Other Assets	Financial liabilities
Bank and trust fund income	-	42,226	-	-	103,352	-
Foreign exchange gain (loss)	291,073	-	(29,840)	21,198	-	(6,384)
Impairment (loss)/gain	(1,321)	-	-	(16,275)	-	-
Fair value (loss)/gain on equity investments	(1,202)	-	-	-	-	-
Present value amortization on promissory notes	7,752	-	-	3,543	-	-
Total	**296,302**	**42,226**	**(29,840)**	**8,466**	**103,352**	**(6,384)**

7. CONTRIBUTION RECEIVABLES

In accordance with signed arrangements/ agreements, several contributors have deposited promissory notes. As the Trustee of the Fund, the World Bank 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, reflecting the duration and the credit risk of the issuer, and presented at amortized cost using the effective rate method at each reporting date. At the end of each reporting period, the Fund assesses 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, Korean Won, and Pound Sterling were revalued to United States Dollars (USD) at the end of the reporting period at the prevailing exchange rates.

As of 31st December 2020, the encashment schedule and details of present value on promissory notes are as follows:

Encashment	Amount (In '000 USD)
In 2021	425,081
In 2022	1,311,152
In 2023	385,722
In 2024	249,880
In 2025	116,561
In 2026	110,684
In 2027	101,868
In 2028	694,426
Nominal value of promissory notes	**3,395,374**
Unamortized present value discount	(46,049)
Present value of promissory notes	**3,349,325**

Contribution receivables denominated in foreign currencies as of 31st December 2020 and 2019 are as follows:

	2020			2019		
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	167,210	0.8147	205,250	309,010	0.8906	346,957
GBP	1,170,000	0.7327	1,596,934	720,000	0.7570	951,120
JPY	59,793,739	103.0550	580,212	64,383,978	108.5650	593,045
KRW	22,578,000	1,088.5657	20,741	34,995,900	1,154.6144	30,310
SEK	8,104,000	8.1674	992,237	750,000	9.3030	80,619
			3,395,374			**2,002,051**

* The exchange rates have been rounded off to a maximum of 4 decimal places for presentation purposes.

8. FINANCIAL ASSETS AT FAIR VALUE

A. FINANCIAL ASSETS AT FAIR VALUE THROUGH COMPREHENSIVE INCOME

i) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI) as of 31st December 2020 and 2019 are as follows:

(In '000 USD)	2020	2019
Equity Instruments	33,039	9,034

Details of equity investments as of 31st December 2020 and 2019 are as follows:

	31st December, 2020		
(In '000 USD)	Percentage of Ownership (%)	Acquisition cost	Carrying Amount (Fair Value)
KawiSafi Ventures	29.6	12,953	12,810
Acumen Resilient Agriculture Fund	46.0	4,911	3,852
Tarapaca	13.4	6,195	6,195
Arbaro Fund	12.5	10,182	10,182
	December 31, 2019		
(In '000 USD)	Percentage of Ownership (%)	Acquisition cost	Carrying Amount (Fair Value)
KawiSafi Ventures	47.45	9,034	9,034

The percentage of ownership is computed based on called-up capital as at the end of the reporting period. As such, it fluctuates annually.

The fair values for KawiSafi Ventures and Acumen Resilient Agriculture Fund have been assessed based on the financial and capital statements received from the different entities prepared under IFRS. For Tarapaca and Arbaro Fund the investments were made within the financial year; hence the investment cost is deemed to reflect the fair value as at the end of the year.

ii) Changes in the value of financial assets at FVTOCI for the years ended 31st December 2020 and 2019 are as follows:

(In '000 USD)	2020	2019
Balance at 1 January	9,034	8,146
Acquisition/Additional call-up	25,207	888
Fair value (loss)/gains	(1,202)	0
Balance as at December 31	**33,039**	**9,034**

B. LOAN RECEIVABLES

Loan receivables relate to loans that have been disbursed to accredited entities for implementing 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 to collect principal and interest. Details of the loans disbursed as of 31st December 2020 and 2019 are as below:

	2020		2019	
(In '000 USD)	Current	Non-current	Current	Non-current
Gross Carrying Amount	-	541,745	-	477,266
Unrealized Forex gain(loss)	-	276	-	(985)
Expected Credit Loss (ECL) Allowance (See note below)	-	(17,595)	-	(16,275)
Net Carrying Amount	**-**	**524,426**	**-**	**460,006**

The concentration of loans by region as of 31st December 2020 and 2019 is as below:

i) By Draw-down Amounts

	2020		2019	
Draw-down Amounts *(In '000 USD)*	**Stage 2**	**Total**	**Stage -2**	**Total**
Africa	87,706	87,706	65,800	65,800
Asia Pacific	234,240	234,240	237,127	237,127
Latin America and Caribbean	81,280	81,280	45,000	45,000
Multiple Regions**	138,795	138,795	128,354	128,354
Total	**542,021**	**542,021**	**476,281**	**476,281**

	2020		2019	
ECL Allowance *(In '000 USD)*	**Stage 2**	**Total**	**Stage -2**	**Total**
Africa	1,952	1,952	1,454	1,454
Asia Pacific	7,186	7,186	7,166	7,166
Latin America and Caribbean	5,222	5,222	4,664	4,664
Multiple Regions**	3,235	3,235	2,991	2,991
Total	**17,595**	**17,595**	**16,275**	**16,275**

The coverage ratio, calculated as ECL allowance / Draw-down amounts, for the different regions as at 31st December 2020 and 2019 is as below:

	2020		2019	
Coverage rate (%)	**Stage 2**	**Total**	**Stage -2**	**Total**
Africa	2.23%	2.23%	2.21%	2.21%
Asia Pacific	3.07%	3.07%	3.02%	3.02%
Latin America and Caribbean	6.42%	6.42%	10.36%	10.36%
Multiple Regions**	2.33%	2.33%	2.33%	2.33%
Total	**3.25%**	**3.25%**	**3.42%**	**3.42%**

**Loans in this category will be used for implementing projects spanning across more than one region.

ii) By Commitments

	2020		2019	
Draw-down Amounts *(In '000 USD)*	**Stage 2**	**Total**	**Stage -2**	**Total**
Africa	205,000	205,000	150,000	150,000
Asia Pacific	350,150	350,150	350,150	350,150
Latin America and Caribbean	166,275	166,275	100,000	100,000
Multiple Regions**	468,024	468,024	344,000	344,000
Total	**1,189,449**	**1,189,449**	**944,150**	**944,150**

	2020		2019	
ECL allowance *(In '000 USD)*	**Stage 2**	**Total**	**Stage -2**	**Total**
Africa	4,550	4,550	3,315	3,315
Asia Pacific	13,919	13,919	13,828	13,828
Latin America and Caribbean	11,193	11,193	10,364	10,364
Multiple Regions**	10,811	10,811	8,017	8,017
Total	**40,473**	**40,473**	**35,524**	**35,524**

** Loans in this category will be used for implementing projects spanning across more than one region.

Movements in loan Draw-downs and commitments

i) Movement in loan draw-downs

	2020	
Draw-down Amounts *(In '000 USD)*	**Stage 2**	**Total**
Gross carrying amounts as at January 1, 2020	476,281	476,281
Drawdowns in 2020	74,504	74,504
Repayments in 2020	(8,764)	(8,764)
Amount as at December 31, 2020	**542,021**	**542,021**

	2020	
ECL allowance on draw-downs *(In '000 USD)*	**Stage 2**	**Total**
ECL as at January 1, 2020	16,275	16,275
Additions	1,320	1,320
ECL allowance as at December 31, 2020	**17,595**	**17,595**

ii) Movement in loan commitments

	2020	
Commitment Amounts *(In '000 USD)*	**Stage 2**	**Total**
Gross carrying amounts as at January 1, 2020	944,150	944,150
New commitments in 2020	245,299	245,299
Amount as at December 31, 2020	**1,189,449**	**1,189,449**

	2020	
ECL allowance on Commitments *(In '000 USD)*	**Stage 2**	**Total**
ECL as at January 1, 2020	35,524	35,524
Additions	4,949	4,949
ECL allowance as at December 31, 2020	**40,473**	**40,473**

9. PROPERTY, PLANT, AND EQUIPMENT

(a) Details of property, plant, and equipment as of 31st December 2020 and 2019 are as follows:

(i) 31st December 2020			
(In '000 USD)	Acquisition cost	Accumulated depreciation	Carrying amount
Computer/IT equipment	3,349	(3,128)	221
Leasehold Improvements	710	(268)	442
Office Furniture & Equipment	1,142	(563)	579
Motor Vehicles	81	(51)	30
Total	**5,282**	**(4,010)**	**1,272**
(ii) 31st December 31 2019			
(In '000 USD)	Acquisition cost	Accumulated depreciation	Carrying amount
Computer/IT equipment	3,300	(2,777)	523
Leasehold Improvements	514	(145)	369
Office Furniture & Equipment	665	(339)	326
Motor Vehicles	81	(35)	46
Total	**4,560**	**(3,296)**	**1,264**

(b) Changes in property, plant, and equipment for the years ended 31st December 2020 and 2019 are summarized as follows:

(In '000 USD)

	January 1, 2020	Acquisitions	Disposals	Depreciation	31st December, 2020
Computer/IT equipment	523	48	-	(352)	219
Leasehold Improvements	369	197	-	(124)	442
Office Furniture & Equipment	326	477	-	(223)	580
Motor Vehicles	46	-	-	(16)	30
Total	**1,264**	**722**		**(715)**	**1,271**
	January 1, 2019	Acquisitions	Disposals	Depreciation	31st December, 2019
Computer/IT equipment	817	173	-	(467)	523
Leasehold Improvements	344	127	-	(102)	369
Office Furniture & Equipment	383	147	-	(204)	326
Motor Vehicles	63	-	-	(17)	46
Total	**1,607**	**447**	**-**	**(790)**	**1,264**

10. LONG-TERM BORROWINGS

i) The classification of long-term borrowings as of 31st December 2020 and 2019 is as follows:

(In '000 USD)	2020		2019	
	Current	Non-Current	Current	Non-Current
Long-term borrowings	-	393,318	-	360,257
Total		**393,318**	**-**	**360,257**

ii) Details of long-term borrowings as of 31st December 2020 are as follows

Lender	Loan Currency	Amount in Loan Currency '000'	Amount in USD '000'	Maturity Date	Interest rate p.a	Interest Payment Start Date	Principal Repayment Start Date	No. of Installments
France	EUR	285,000	349,838	June 15, 2042	0%	N/A	December 15, 2022	40
Canada	USD	82,479	82,479	June 15, 2044	1%	June 15, 2024	June 15, 2024	40
Deferred income*			(38,999)					
Total Longterm Borrowings			**393,318**					

* Deferred income of USD 39m refers to the interest implicit in the long-term borrowings and will be realized across the maturity period

iii) Changes in the value of the loans in 2020 and 2019 are as below

(In '000 USD)	**2020**	**2019**
Balance at January 1	360,257	281,216
Acquisition/draw down	-	82,479
Repayments	-	-
Forex loss (gain)	29,840	(6,384)
Decrease/(Increase) in present value discount	3,221	2,946
Balance as at December 31	**393,318**	**360,257**

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 31st December 2020 are as follows:

(In '000 USD)	1st January 2020	Released	Received with restriction	Unrealized Exchange gain/loss	31st December 2020
Time restriction only	1,249,742	(350,624)	1,661,401	57,546	2,618,065
Time & contributor-imposed restriction	752,309	-	-	24,999	777,308
Contributor imposed restriction only-Loan Cushions	80,522	-	-	-	80,522
Contributor imposed restriction only	575,278	-	8,655	-	583,933
Total	**2,657,851**	**(350,624)**	**1,670,056**	**82,545**	**4,059,828**

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 contributions for which the contributor has outlined specific use to which the contributions may be applied and capital contributions which can only be disbursed as financial instruments which generate reflows. They may, therefore, not be used to finance grants and administrative expenditure unless the 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.

Loan cushions represent funds that loan contributors have designated to be used to cushion the fund against any loan defaults.

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 31st December, 2020 and 31st December, 2019 are as follows:

(i) 31st December, 2020			
(In '000 USD)	Nominal value	Unamortized present value discount on promissory note	Total
Contribution revenues	2,349,302	(35,202)	2,314,100
Foreign exchange gain(loss)	290,797	-	290,797
Present Value amortization on promissory note		7,752	7,752
Total	**2,640,099**	**(27,450)**	**2,612,649**
(ii) December 31, 2019			
(In '000 USD)	Nominal value	Unamortized present value discount on promissory note	Total
Contribution revenues	440,323	-	440,323
Foreign exchange gain(loss)	22,183	(570)	21,613
Present Value amortization on promissory note	-	3,543	3,543
Total	**462,506**	**2,973**	**465,479**

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.

As at 31st December 2020, the cumulative contributions received through the Trust Fund account since inception was USD 10.1 billion. USD 7.3 billion relate to the Initial Resource Mobilization period while 2.8 billion relate to the 1st replenishment period. The details of changes in the total cumulative contribution that the Fund has received through the Trust Fund account for the year ended 31st December 2020 are presented as follows:

(a) By contributor:

(In '000 USD)	1st January 2020	Increase (Decrease)	31st December 2020
Australia	152,318	-	152,318
Austria	62,302	30,683	92,985
Belgium	81,244	24,546	105,790
Belgium - Brussels Capital Region	3,863	1,227	5,090
Belgium - Flanders	16,076	-	16,076
Belgium - Walloon Region	9,481	473	9,954
Bulgaria	109	-	109
Canada	227,231	25,501	252,732
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	63,485	30,783	94,268
France	1,049,941	79,695	1,129,636
France - City of Paris	1,181	-	1,181
Germany	877,871	103,999	981,870
Hungary	3,511	-	3,511
Iceland	1,100	300	1,400
Indonesia	244	-	244
Ireland	8,956	4,909	13,865
Italy	227,940	37,742	265,682
Japan	1,384,926	429,840	1,814,766
Korea	98,785	5,823	104,608
Latvia	417	-	417
Liechtenstein	50	107	157
Lithuania	113	-	113
Luxembourg	33,583	11,412	44,995
Malta	501	118	619
Mexico	10,000	-	10,000
Monaco	2,779	833	3,612
Mongolia	50	-	50
Netherlands	114,067	35,184	149,251
New Zealand	12,269	-	12,269
Norway	249,000	99,193	348,193
Panama	1,000	-	1,000
Poland	103	3,000	3,103
Portugal	2,168	1,211	3,379
Romania	50	-	50
Russian Federation	3,000	4,000	7,000
Slovakia	2,000	-	2,000
Slovenia	1,106	-	1,106
Spain	137,076	85,936	223,012
Sweden	451,813	982,710	1,434,523
Switzerland	100,562	37,500	138,062
United Kingdom	956,021	645,813	1,601,834
United States	1,000,000	-	1,000,000
Vietnam	-	1,000	1,000
Total	**7,417,539**	**2,683,538***	**10,101,077**

* Due to cumulative effect of unrealized exchange losses on promissory notes, there is a slight difference between this and the amounts in note 12.

(b) By contribution type:

(In '000 USD)	January 1, 2020	Increase (Decrease)	December 31, 2020
Cash	5,415,489	(1,214,918)	4,200,571
Promissory note	2,002,050	3,898,456	5,900,506
Total	**7,417,539**	**2,683,538**	**10,101,077**

*The negative change in the contributions is as a result of encashment of promissory notes

(c) By instrument type:

(In '000 USD)	January 1, 2020	Increase (Decrease)	December 31, 2020
Capital	1,327,609	33,656	1,361,265
Grant	5,687,453	2,620,042	8,307,495
Loan	402,477	29,840	432,317
Total	**7,417,539**	**2,683,538**	**10,101,077**

13. INVESTMENT & OTHER INCOME

Investment and Other income comprise the following.

(In '000 USD)	2020	2019
Investment income	42,226	103,252
Loan interest	5,778	3,285
Other income	3,905	1,816
Total	**51,909**	**108,353**

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 non-interest reflows from accredited entities, accreditation fees, and interest on bank deposits.

14. ADMINISTRATIVE EXPENSES

Details of administrative expenses for the Fund for the year ended 31st December 2020 and 31st December, 2019 are as follows:

(In '000 USD)	2020	2019
Staff Costs [(a)]	40,475	41,754
Consultants Fees	4,642	4,613
Contractual Services	8,451	8,242
Supplies and Services	8,994	8,902
Travel	963	3,161
Depreciation	716	790
Total	**64,241**	**67,462**

The COVID-19 pandemic triggered some staff turnover and impacted travel and recruitment of vacant positions in 2020. As such, there was less expenditure in staff costs and travel. At the same time, extra capacity was needed in form of short term consultants and enhanced IT support to ensure continuation of the Fund's activities. Included in the administrative expenditure is USD 0.3 million, 22% of the USD 1.4 million approved by the Board to cover costs relating to the activation of alternative working arrangements and other emergency measures following the outbreak. The bulk of the COVID-19 related expenditure went towards strengthening IT infrastructure and support given the increased demand for IT services during this period.

[(a)] As of 31st December 2020, the Fund had 217 full-time staff[3] (229 as of December 31, 2019). The details of the staff costs are as below:

(In '000 USD)	2020	2019
Short-term employee benefits	35,446	36,100
Defined contribution plans	4,476	4,464
Other Costs	553	1,190
Total	**40,475**	**41,754**

[3] Includes both Secretariat and Independent units staff

15. PROGRAMME

Programme expenditures for the years ended 31st December 2020 and 2019 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)	2020	2019
Funding Proposal Grants	486,970	258,489
Accredited Entity Fees	25,491	27,779
Readiness & Preparatory Support Programme (Inc. NAPs)	68,471	39,896
Project Preparation Facility	6,677	7,331
Expected Credit Losses (see note 8B for details)	1,321	16,275
Total	**588,930**	**349,970**

a) Funding Proposal Grants

Details of Funding Proposal Grants channeled through the various accredited entities for the years ended 31st December 2020 and 2019 are as follows:

(In '000 USD)	2020	2019
Acumen	700	1,250
Agence Française de Développement (AFD)	-	4,288
Agency for Agricultural Development of Morocco (ADA)	10,421	-
Antigua and Bermuda Department of Environment	-	3,000
Asian Development Bank (ADB)	1,000	76,144
Caribbean Community Climate Change Centre (CCCCC)	12,927	5,000
Central American Bank for Economic Integration	376	-
Centre De Suivi Ecologique	1,916	-
Conservation International (CI)	1,900	3,300
Deutsche Gesellschaft für Internationale Zusammenarbeit	8,614	-
Development Bank of Southern Africa	610	-
Environmental Investment Fund (EIF)	3,732	7,435
European Bank for Reconstruction & Development (EBRD)	20,812	37,728
Food and Agriculture Organization (FAO)	82,716	5,641
Inter-American Development Bank (IDB)	4,993	8,140
International Fund for Agricultural Development	3,043	-
International Union For Conservation of Nature	1,868	-
KfW Development Bank (KfW)	7,514	-
Ministry of Environment - Rwanda (MOE-Rwanda)	-	5,243
Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MOFEC)	-	3,752
Netherlands Development Finance Company (FMO)	6,314	21,488
Palli Karma-Sahayak Foundation	2,162	-
Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE)	-	1,300
The Secretariat of the Pacific Regional Environment Programme (SPREP)	2,809	1,978
UN World Food Programme	4,279	-

United Nations Development Programme (UNDP)	209,567	51,808
United Nations Environmental Programme (UNEP)	57,727	6,202
World Wide Fund for Nature (WWF)	-	5,792
WorldBank	40,970	8,000
XacBank	-	1,000
Total	**486,970**	**258,489**

b) Accredited Entity Fees

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

(In '000 USD)	2020	2019
Acumen	148	130
Agence Française de Développement (AFD)	-	1,589
Agency for Agricultural Development of Morocco (ADA)	938	-
Antigua and Bermuda Department of Environment	-	270
Asian Development Bank (ADB)	85	4,907
Caribbean Community Climate Change Centre (CCCCC)	1,099	425
Central American Bank for Economic Integration	17	-
Centre De Suivi Ecologique	192	-
Conservation International (CI)	171	297
Corporación Andina de Fomento	875	-
Deutsche Gesellschaft für Internationale Zusammenarbeit	644	-
Development Bank of Southern Africa	97	-
Environmental Investment Fund (EIF)	352	744
European Bank for Reconstruction & Development (EBRD)	2,307	5,422
Food and Agriculture Organization (FAO)	1,589	355
Inter-American Development Bank (IDB)	2,213	1,452
International Fund for Agricultural Development	312	-
International Union For Conservation of Nature	131	-
KfW Development Bank (KfW)	411	-
Ministry of Environment - Rwanda (MOE_Rwanda)	-	352
Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MOFEC)	-	113
MUFG Bank	668	-
National Bank for Agriculture and Rural Development (NABARD)	-	2,500
Palli Karma-Sahayak Foundation	161	-
Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE)	-	130
The Secretariat of the Pacific Regional Environment Programme (SPREP)	253	178
UN World Food Programme	423	-
United Nations Development Programme (UNDP)	7,954	4,170
United Nations Environmental Programme (UNEP)	911	554
World Wide Fund for Nature (WWF)	-	463
WorldBank	3,462	3,635
XacBank	78	93
Total	**25,491**	**27,779**

c) Readiness & Preparatory Support Programme

Details of 'Readiness & Preparatory Support Programme' expenditures for the years ended 31st December 2020 and 2019 are as follows:

(In '000 USD)	2020	2019
Consultants Fees	765	906
Regional workshops & NDA visits	-	2,064
Grants - Readiness	64,588	34,404
Professional Services	700	1,287
Travel	8	112
Other Operating Costs	2,410	1,123
Total	**68,471**	**39,896**

The following countries received readiness grants for the years ended 31st December 2020 and 2019:

(In '000 USD)	2020	2019
Afghanistan	497	240
Albania	564	153
Algeria	60	-
Angola	(370)*	-
Antigua and Barbuda	-	1,868
Argentina	(125)*	1,097
Armenia	100	430
Azerbaijan	473	421
Bahamas	311	253
Bangladesh	150	260
Barbados	-	250
Belize	65	636
Benin	1,000	543
Bhutan	350	359
Bosnia and Herzegovina	715	715
Botswana	479	209
Brazil	205	503
Burundi	-	239

(In '000 USD)	2020	2019
Burkina Faso	220	-
Cambodia	484	108
Cameroon	357	-
Central African Republic	-	160
Chad	653	130
Chile	264	-
Colombia	1,107	1,109
Comoros	310	-
Cook Islands	500	743
Costa Rica	1,898	-
Cote d'Ivoire	188	488
Cuba	-	167
Democratic Republic of Congo	906	169
Dominican Republic	908	188
DRC	70	-
Ecuador	750	945
Equatorial Guinea	261	189
Eritrea	159	-
Eswatini	995	216
Ethiopia	-	341
Federated States of Micronesia	31	100
Fiji	-	495
Gabon	296	880
Gambia	-	49
Ghana	191	924
Grenada	178	385
Guatemala	769	533
Guinea	272	-
Guinea-Bissau	-	255
Guyana	190	120
Haiti	-	743
Honduras	1,731	393
India	150	-
Indonesia	303	355
Iraq	1,508	322
Islamic Republic of Iran	-	387
Jamaica	339	471

(In '000 USD)	2020	2019
Jordan	150	-
Kenya	209	43
Kiribati	175	-
Kyrgyzstan	165	143
Lao PDR	319	811
Lebanon	289	-
Lesotho	820	3
Liberia	468	992
Libya	-	120
Madagascar	903	-
Malawi	313	830
Malaysia	505	-
Maldives	-	101
Mali	-	445
Mauritania	558	-
Mauritius	-	125
Mexico	-	232
Micronesia	-	500
Moldova	618	87
Mongolia	1,400	190
Montenegro	-	155
Morocco	148	-
Mozambique	224	-
Multiple countries	17,409	505
Myanmar	2,276	225
Namibia	296	-
Nepal	986	480
Nicaragua	-	627
Niger	1,079	-
Nigeria	1,388	-
North Macedonia	495	-
Oman	50	-
Pakistan	-	208
Papua New Guinea**	685	208
Paraguay**	52	243
Peru**	670	1,019
Philippines	121	193

(In '000 USD)	2020	2019
Republic of Congo	-	524
Rwanda	913	177
Saint Lucia	55	214
Saint Vincent and the Grenadines	258	-
Sao Tome and Principe	805	240
Senegal	200	253
Serbia	274	444
Somalia	605	-
South Africa	169	-
South Sudan	-	147
Sri Lanka	683	736
State of Palestine	-	159
Sudan	942	123
Syria	358	249
Tajikistan	586	100
Tanzania	313	-
Thailand	244	172
Timor-Leste	274	150
Togo	40	240
Trinidad and Tobago	260	151
Tunisia	40	250
Tuvalu	204	-
Uganda	-	126
Uruguay	633	1,549
Uzbekistan	308	-
Vanuatu	282	135
Vietnam	957	-
Zambia	673	60
Zimbabwe	1,279	179
Total	**64,588**	**34,404**

* Negative amounts relate to refunds of unused amounts by Implementing Entities.
** The 2019 amounts were erroneously captured for these countries. The amounts have been corrected. The errors had no impact on the total figures presented in the 2019 financial statements for readiness grants.

d) Project Preparatory Facility (PPF)

Details of Project Preparatory Facility grants by Implementing Partner for the years ended 31st December 2020 and 2019 are as follows:

(In '000 USD)	2020	2019
Caribbean Community Climate Change Centre (CCCCC)	317	674
Development Bank of Latin America (CAF)	-	891
Development Bank of Southern Africa (DBSA)	-	223
Food and Agriculture Organization (FAO)	-	260
Ministry of Environment - Rwanda (MOE-Rwanda)	-	15
United Nations Environmental Programme (UNEP)	278	-
United Nations Office of Project Services (UNOPS)	5,807	4,795
World Meteorological Organization (WMO)	-	107
XacBank	274	366
Total	**6,677**	**7,331**

16. CONTINGENT LIABILITIES

Contingent liabilities for Readiness & Preparatory Support Programme, and Project Preparation Facility (PPF), approved funding proposals, and accredited entity fees as of 31st December 2020 and 2019 are analyzed below

a) Readiness & Preparatory Support Programme

(In '000 USD)	2020	2019
Cumulative funds approved as at the end of December	273,766	209,315
Disbursed as at the end of December	(138,383)	(75,367)
Total Commitment	135,383	**133,948**

b) Project Preparation Facility

(In '000 USD)	2020	2019
Cumulative funds approved as at the end of December	41,500	17,584
Disbursed as at the end of December	(19,657)	(12,940)
Total Commitment	**21,843**	**4,644**

c) Project Funding Decisions

The total cumulative value of projects approved by the GCF Board but pending disbursements is as below:

(In '000 USD)	2020	2019
Approved Funding Proposals (cumulative)	7,285,500	5,632,040
Disbursed as at the end of December	(1,504,417)	(904,812)
Total Commitment	**5,781,083**	**4,727,228**

d) Project Fees

The total cumulative value of Accredited Entity (AE) fees approved, but pending disbursements are as below:

(In '000 USD)	2020	2019
Approved AE fees as of the end of December	279,097	217,408
Disbursed as at the end of December	(75,576)	(49,584)
Total Commitment	**203,521**	**167,824**

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. The fair value of free rental provided to GCF since inception is estimated as below:

(In '000 USD)

2020	2019	2018	2017	2016	2015	2014	2013
829	829	754	603	452	302	302	226

18. RELATED PARTIES

Related parties include the board members, 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 of 31st December 2020 and 2019. 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 2020 and 2019 is as below:

(In '000 USD)	2020	2019
Salaries	3,056	3,060
Retirement plan	550	551
Other Benefits	221	609
Termination benefits	94	-
Total	**3,921**	**4,220**

19. COVID-19 IMPACT ON THE FINANCIAL STATEMENTS

The COVID-19 epidemic and associated responses have caused significant disruptions throughout the world. The following are the impacts on the 2020 financial statements:

- In 2020, the movements in foreign currency worked in GCF favor as witnessed by a realized exchange gain of USD 5 million on promissory notes encashed during the year, an unrealized loss of USD 30 million on a euro-denominated loan, and an unrealized gain of USD 286 million on promissory notes yet to be encashed as at 31st December 2020.
- Delays in implementation of GCF-funded projects, resulting in a slower rate of disbursements for committed obligations. While the Fund projected between USD 1.5 – 1.8 billion in disbursements for approved projects at the time of preparing the 2020 work programme, It only managed to disburse USD 0.6 billion.

The following are the impacts expected on the 2021 and subsequent years financial statements

- Foreign exchange gains or losses depending on how currency rates move in 2021 and subsequent years.
- Delays in implementing GCF-funded projects may lead to a slower rate of disbursements for committed obligations.
- Reduction in the fair value of loan and equity investments in 2021 due to worldwide business disruption.
- While no loan receivables are maturing in 2021, we may expect an increase in expected credit losses (ECL) allowances if the disruption of business materially impacts the implementation of projects funded by GCF loans in 2020, exacerbating the project and credit risks.

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