



**GREEN
CLIMATE
FUND**

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GCF/B.11/07

10 October 2015

Initial risk management framework: implementation progress and risk register

Summary

This document provides an overarching view of the progress made in operationalizing all aspects of risk management in the GCF, presents the proposed risk register and discusses the progress made towards implementing the risk appetite methodology. It is divided into three parts:

- (a) Description of the risk monitoring and reporting management system, including the risk register that is being presented for Board approval as part of the draft decision attached to this document;
- (b) Progress report on the application of the methodology to set the risk appetite of the GCF to be presented for the consideration of the Board at its twelfth meeting; and
- (c) Description of additional tools that have been developed to operationalize the risk management of the GCF.

* The agenda item number will be determined when the final sequence of items in the provisional agenda is confirmed by the Co-Chairs.

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I. Introduction

1. The Board, through decision B.07/05, adopted the initial financial risk management framework of the GCF, which included a financial risk monitoring and reporting management system to be developed by the time the Board would consider funding proposals for approval. Under the guidance of the Risk Management Committee, the GCF is developing the tools that constitute this system. Each of its elements is presented for the information of the Board, except for the risk register, which is presented as a draft decision for the consideration of the Board.
2. Additionally, this document presents, for the information of the Board, a progress report on the application of the methodology to establish the risk appetite of the GCF and a description of other risk tools being developed to operationalize the risk management of the GCF.

II. Linkages with other documents

3. This document has linkages to the following documents:
 - (a) Document GCF/B.11/Inf.07 titled “Strategic plan for the Green Climate Fund (progress report)”; and
 - (b) Document GCF/B.11/04 titled “Consideration of funding proposals”.

III. Possible action by the Board

4. Based on this document, the Board may consider adopting the proposed risk registry, an essential element in the process of developing the risk appetite of the GCF.

IV. Linkages with previous decisions

5. Decision B.07/05 established the initial financial risk management framework of the GCF, consisting of financial risk policies, a financial risk monitoring and reporting management system and financial risk governance arrangements. The financial risk policies were further elaborated through decision B.08/13 as part of the policies for contributions. Elements of the financial risk monitoring and reporting management system were defined through decision B.08/18 (financial reporting and the external auditing process) and decision B.BM-2015/06 (internal control framework).
6. Decision B.07/05 also requested the Secretariat to start the process of analysis to determine the risk appetite of the GCF. Through decision B.09/06, the Board took note of a survey of methodologies to define and determine the risk appetite and through decision B.10/08 it adopted the risk dashboard, its related risk categories and subcategories, and the methodology to be followed by the GCF to set its risk appetite.

V. Objective

7. The purpose of this document is to provide an overarching view of the progress made in operationalizing all aspects of risk management in the GCF, present the proposed risk register and discuss the progress made towards implementing the risk appetite methodology. Figure 1 presents an expanded view of the GCF risk framework¹ comprised of the risk monitoring and

¹ For clarity, the term “risk framework” in this document refers to an expanded framework which includes both financial and non-financial risks to take into account decision B.10/08. Decision B.07/05 only considered financial risks.

reporting management system, the risk appetite setting methodology and tools, as well as additional operational tools required to implement risk management in the GCF.

Figure 1. Elements of the risk framework



8. This document is divided into the following three main sections, as outlined in figure 1 above:

- (a) Description of the risk monitoring and reporting management system, including the risk register that is being presented for Board approval as part of the draft decision attached to this document (Annex I);
- (b) Progress report on applying the methodology to set the risk appetite of the GCF to be presented for the consideration of the Board at its twelfth meeting; and
- (c) Description of additional tools that have been developed to operationalize the risk management of the GCF.

VI. Risk monitoring and reporting management system

9. The risk monitoring and reporting management system includes standard control instruments (financial statements and external audit reports), a strategic risk planning tool (risk register), risk and portfolio oversight tools (risk dashboard and portfolio management system) and a methodology for periodic overall review of internal controls (self-evaluation through the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework).

6.1 Financial statements and external audit reports

10. The GCF reviewed the main accounting standards in use globally and decided to adopt the International Financial Reporting Standards (IFRS). This decision was based, inter alia, on the fact that most jurisdictions are converging towards the IFRS; thus, its adoption by the GCF would facilitate the process of resource mobilization and resource deployment as it would align the accounting of the GCF with those of its partners. The GCF has now put in place an internal accounting system to generate financial statements semi-annually using the IFRS.

11. In March 2015, Daemyung Grant Thornton was appointed as the external auditor of the GCF for a period of three years. Its unqualified audit of the financial statements of the GCF is being presented at the eleventh meeting of the Board for its consideration.

6.2 Risk register

12. **General definition:** a risk register is an inventory of all the risks to which an organization is exposed, the mechanisms in place to mitigate them and an assessment of their relative priority. For each risk, the following parameters are identified:

- (a) Triggers: key events² the occurrence of which could lead to the risk materializing;
- (b) Mitigation: mechanisms in place to reduce the probability of occurrence or reduce the impact of each type of risk if it were to materialize. Potential mitigation measures include policies, procedures, internal controls and analytical tools;
- (c) Owner: unit or individual within the organization responsible for managing each risk;
- (d) Probability and impact: assessment, based on empirical evidence, qualitative tools or expert judgement, of the likelihood of the risk materializing and, if the risk materializes, the overall impact on the organization, taking into account the mitigation mechanisms in place;
- (e) Priority: relative importance to the organization of each risk based on the combination of the probability of occurrence and impact; and
- (f) Key risk indicator: parameter used to measure the level of risk that materialized.

13. **Proposed approach.** The draft risk register being proposed for Board decision (Annex II) presents the parameters described above for each risk category and subcategory in the risk dashboard approved by the Board at its tenth meeting. Table 1 illustrates the structure of the risk register, taking as an example one of the risk subcategories – reputational risks arising from business practices and results:

- (a) The **risk category, subcategory and description** are those approved by the Board through decision B.10/08;
- (b) Three potential situations have been identified as **triggers** which could lead to the materialization of this risk;
- (c) **Mitigation** measures taken or under development in this case are as follows:
- (d) Communications strategy, including outreach to external stakeholders regarding the activities and results achieved by the GCF;
- (e) Manuals clearly describing all internal processes, including accreditation and second-level due diligence to ensure consistency of practices;
- (f) Readiness programme to support the development of the capacity of national designated authorities (NDAs), including familiarizing them with the GCF processes and results framework;
- (g) Continuous dialogue with national stakeholders through activities organized by the Country Programming Division;
- (h) Financial management, including internal control processes to ensure adequate management of resources;

² Given the inherent uncertainty of risk, this is a non-exhaustive list. The proposed risk register for the GCF identifies the top three potential triggers.

- (i) Media monitoring to identify and allow an early response to external stakeholders' adverse perception of the GCF; and
- (j) Participation of observers at Board meetings as well as other types of outreach to civil society organizations to maximize transparency and understanding of the GCF;
- (k) Given the broad range of activities involved in mitigating this risk, the Executive Director, Directors, the Chief Financial Officer and the Risk Manager are the **owners** of this risk;
- (l) The **probability** and **impact** for this risk subcategory has been estimated as "somewhat unlikely" and "somewhat disruptive" reflecting the overall medium level of likelihood and impact given the mitigation measures in place. This assessment will be refined on the basis of the simulation to be undertaken as part of the process of establishing the risk appetite of the GCF;
- (m) The **priority** is assigned using the priority grid approved by the Board as part of the risk dashboard (this grid is included at the end of Annex II) and it is effectively the result of combining the probability and impact of occurrence as an ex-ante estimation of the importance of such risk; and
- (n) The key risk indicator for this risk, as it is the case for any type of reputational risk, is related to measuring media and other outside stakeholders' perception.

Table 1: Risk register – illustrative example

Parameter	
Risk category	Reputational
Subcategory	Business practices and results (risk code: 2.1)
Description	Events or issues that have a material adverse effect on the credibility of the GCF in developing countries or with contributors, AEs or civil society organizations. This includes the GCF being perceived as lacking added value, being over bureaucratic, not adhering to countries' priorities or managing its resources poorly
Triggers	2.1.1 Ineffective dissemination of results delivered by GCF-supported projects/programmes, including presenting added value with respect to other financial partners; 2.1.2 Overly complex procedures to access GCF funding or failure to communicate in simple language the steps to access such funding; and 2.1.3 Slow decision-making processes of the Board, Secretariat and AEs, or at country level
Mitigation	Communications strategy (in progress), including the approach to disseminating results, internal processes manuals (in progress), and information on the readiness programme, accreditation process, country programming outreach, the financial management processes of the GCF, as well as media monitoring and participation of observers in Board meetings
Owner	Executive Director, Directors, Chief Financial Officer and Risk Manager
Probability	SU
Impact	SD
Priority	M
KRI	Percentage and number of negative media reports related to this risk subcategory (as opposed to positive and neutral); periodic survey of NDAs, AEs and observers

Abbreviations: AEs = accredited entities, KRI = key risk indicator, M = medium, NDAs = national designated authorities, SD = somewhat disruptive, SU = somewhat unlikely.

- 14. **Purpose and use of the risk register.** The risk register has two primary functions:
 - (a) To verify the existence of risk mitigation measures for each of the risks faced by the GCF. The identification of triggers (**what could lead to the materialization of the risk?**) informs the design of mitigation measures (**what could prevent those triggers from**

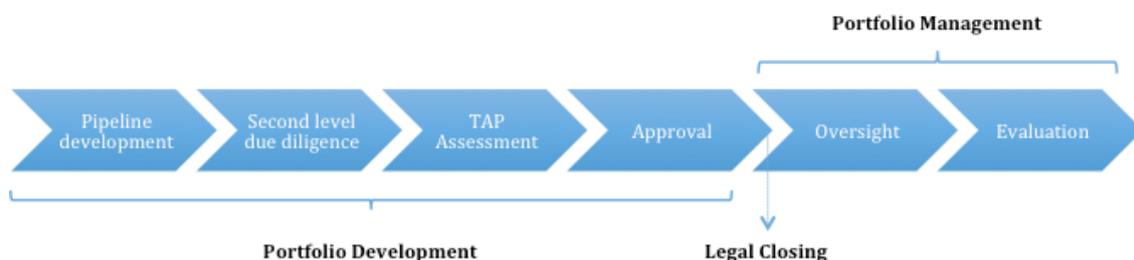
materializing the risk?). Good mitigation measures must be aligned with the triggers to ensure that the GCF is seeking to control each of the sources of risk; and

- (b) To provide a framework to define the appetite with respect to each risk subcategory. The assessment of probability and impact of each risk, along with simulations of different scenarios, are key inputs to determine the risk appetite of the GCF as described below.
15. As described in decision B.07/05, the risk register is updated annually as the risk environment in which the GCF operates evolves as a result of external events, changes in the mix of instruments deployed by the GCF and other strategic priorities.

6.3 Portfolio risk oversight

16. A key component of the process of operationalizing the initial risk management framework is applying the GCF-wide risk dashboard to the review of individual projects to be supported by the GCF and to their monitoring and evaluation once they enter into the portfolio. Figure 2 shows the GCF project cycle. During the first stage (portfolio development), projects are assessed against the GCF policy framework and investment criteria and are considered by the Board for approval. In the second phase (portfolio management), the accredited entities (AEs) and the GCF oversee the performance of projects and upon completion, evaluate their results. This section discusses the risk analysis to be carried out at each of these stages so as to ensure an adequate portfolio-wide risk oversight.

Figure 2. GCF project cycle



6.3.2 Portfolio development

17. AEs working jointly with the NDAs/focal points have primary responsibility for developing funding proposals. The GCF is responsible for ensuring that these funding proposals are structured in a manner consistent with the mandate of the GCF so that they can become part of the project pipeline. This is done through various mechanisms, including readiness programmes through NDAs/focal points to strengthen their capacity to ensure strong country ownership of funding proposals; continuous outreach and dialogue with the NDAs/focal points and AEs; and periodic issuance of requests for proposals to stimulate pipeline development of certain strategic characteristics. During this stage, the evolution of the GCF risk profile, as defined in the risk dashboard and risk register, will be used to inform the process of pipeline development. For example, an excessive concentration of the portfolio in a certain geographical area may require focusing efforts in order to increase the pipeline of projects in other regions to ensure a balanced portfolio.

18. As part of the second-level due diligence carried out by the Secretariat, it assesses the compliance of the proposed project with respect to GCF safeguards and policies. In this context, the Secretariat carries out a risk assessment of projects at the following two levels during this stage:

- (a) Project-level risks: funding proposals submitted by AEs list the main **risks to the projects** and the mitigating measures put in place to address each risk. Each AE can use its own typology of risks but they are expected to be generally related to the implementation, results and sustainability of the project. The Secretariat reviews the completeness of the list of risks identified and the expected effectiveness of the mitigation measures proposed as part of the project; and
- (b) GCF-level risks: additionally, the Secretariat assesses the **risks to the GCF** derived from the project. This is done by reviewing the impact that the project may have on the nine risk categories included in the risk dashboard.³ This includes, for example, the impact that the project could have on increasing the risks related to the concentration of the portfolio or the financial risks that it generates to the GCF.

19. These two types of risk assessment are provided to the independent Technical Advisory Panel in order to assist their review with respect to the six investment criteria and are also part of the documentation provided to the Board as it considers the project for approval. As part of the approval process, the Board may assign a new project to the special oversight category if, given its risk characteristics, the project will require more frequent reporting from the AE and analysis by the GCF as part of its portfolio management functions, as described below. The Secretariat is in the process of developing internal processes manuals to be completed by the end of the second quarter of 2016 in order to codify these processes to ensure the consistency of the process of second-level due diligence, particularly once the number of AEs and projects of the GCF increase.

6.3.3 Portfolio management

20. Projects/programmes formally enter into the portfolio once they have been declared effective following the completion of all legal documentation after Board approval.⁴ Oversight of the portfolio will be carried out through a dashboard, the template of which is presented in Annex III to this report. The dashboard will constitute the basic management and reporting tool covering the following three aspects:

- (a) Description of the portfolio: presents a snapshot of the portfolio, including the financial resources deployed (commitments and disbursements), distribution by region, programme type (adaptation, mitigation, cross-cutting), financial instrument, AE type and financial risk. It also lists the top 10 projects by size as well as projects categorized as under special oversight if they have received a 'risk flag' if assessed as representing particularly high levels of risk to the GCF. An annex to the dashboard will present all GCF-funded projects;
- (b) Risk dashboard: for each risk category and subcategory in the risk register, the risk dashboard presents the status of the key risk indicators and discusses significant variations from the risk targets to be defined as part of the risk appetite setting process and presents actions taken when risk limits are surpassed; and
- (c) Overall level of resources of the GCF: a full financial overview of the GCF is completed by presenting the evolution of cash flows combining cash available, expected inflows based on signed contributions and expected outflows based on the projected needs of the existing portfolio.

21. Financial data flows directly related to the GCF (e.g. payments from contributors, disbursements to AEs) will be updated on a monthly basis. Overall risk assessments will be

³ The risk categories are: strategic, reputational, operational, legal, compliance, performance, funding, market and liquidity.

⁴ Projects approved but not yet signed will be tracked separately and will be monitored to reflect that the commitment of resources for projects not yet effective represents an opportunity cost to the GCF.

updated monthly and data to be reported by AEs (e.g. project progress reports, disbursements to implementing entities) will be updated quarterly. The Risk Manager, under the guidance of the Risk Management Committee, will use the dashboard data to carry out quarterly risk analyses of the portfolio as part of the process of risk reporting to the Board. As projects come to an end and they undergo a final evaluation, the Risk Manager is part of this process to review the risks that materialized during the project, the effectiveness of mitigation measures, risks to the project's continued sustainability and lessons learned.

6.4 Internal controls: Committee of Sponsoring Organizations of the Treadway Commission framework

22. Internal controls are an essential element of the governance, risk and compliance oversight responsibilities of the GCF. The Secretariat reviewed several internal control frameworks in use in major organizations and, on the basis of such analysis, the Board adopted the COSO framework as the internal control framework of the GCF (decision B.BM-2015/06). The GCF is implementing this framework in its five components, as follows:

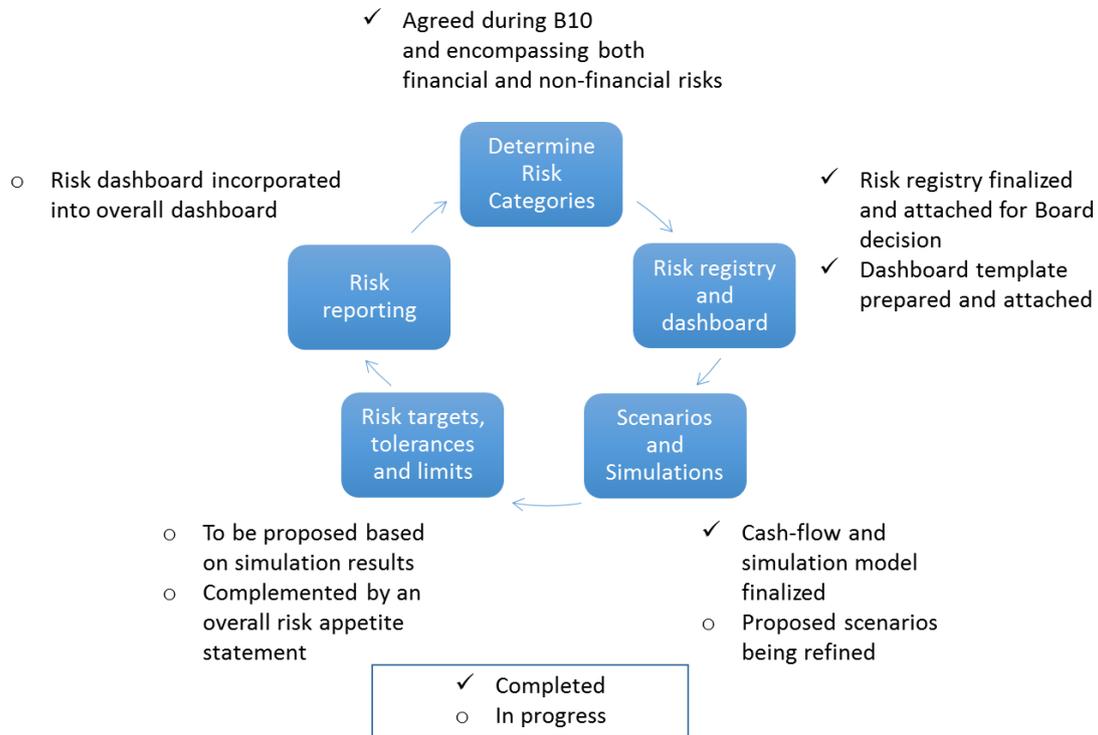
- (a) A strong **control environment** mandated by decisions of the Board and guidance received from the Executive Director;
- (b) **Risk assessment** of the operations of the GCF, including through the implementation of all elements of the risk framework;
- (c) **Control activities** put in place in the operations of the GCF. Daeyoung Accounting Corporation undertook an extensive internal audit of the GCF during March/April 2015 to assess the effectiveness of these activities. It reported that, based on its detailed audit work, no major control weaknesses or issues were noted;
- (d) The financial statements and the dashboard mentioned above constitute critical elements of the **information** and **communication** framework that has been put in place to generate the data necessary to exercise effective internal controls; and
- (e) Periodic **monitoring activities** to test the continued effectiveness of internal controls such as the one carried out earlier this year by an external firm.

23. The overall effectiveness of the framework is reviewed by carrying out a COSO self-assessment (CSA) of internal controls. CSA is a standard methodology that uses as a starting point a questionnaire that the organization's management responds to for each of the five COSO components described in paragraph 22 above. Based on the responses, a more in-depth analysis is performed in order to identify control weaknesses and solutions to address them. The GCF will carry out its first CSA no later than at the end of the second quarter of 2017. At that time, it is expected that the portfolio of the GCF would have reached a significant size, allowing for more meaningful results from the CSA.

VII. Progress on establishing the risk appetite of the GCF

24. The Board, through decision B.10/08, adopted the methodology to establish the risk appetite of the GCF. Under guidance from the Risk Management Committee, the Secretariat has developed the components of the methodology and is working with the Risk Management Committee in the preparation of the proposed risk limits and overall appetite statement. Figure 3 summarizes the progress to date for each of its components.

Figure 3. GCF risk appetite – progress to date



25. With the proposed risk registry drafted, the GCF is currently developing a set of ‘base’ scenarios generated by financial and non-financial events that will be used to analyse scenarios and propose the target risk appetite for each risk subcategory in the registry. Ideally, the proposed scenarios should be based on empirical evidence with a relatively long-term horizon (e.g. 10 years) such as the historical variation in the price of a certain financial asset or the number of occurrences of a particular event. For a new organization without a track record, such as the GCF, alternative approaches are required and thus table 2 presents the rationale used to select each scenario. In choosing these events, the GCF has sought to ensure that they are both realistic and also significant (i.e. meaningful departures from what would be expected to be the normal operation of the GCF). In most cases, the rationale for each event uses an assumption anchored on a GCF policy parameter or historical information. In some cases, it has been necessary to estimate a hypothetical, but possible, scenario.

Table 2. Draft scenarios for risk appetite simulations

Event	Rationale
Non-financial events	
The GCF has a moderate impact on climate change adaptation and mitigation	Paragraph 2 of the Governing Instrument for the GCF mandates the GCF to “promote the paradigm shift towards low-emission and climate-resilient development pathways”; having only a moderate impact could be considered as an event in which the GCF fails to fulfil such a mandate
Failure of the GCF to fulfil its gender policy, with only 25 per cent of projects including specific gender elements and gender-sensitive implementation arrangements	While the GCF does not have a specific target, 25 per cent would be a level well below that of other comparable organizations

Event	Rationale
High concentration of accredited entities (AEs): six AEs disburse 90 per cent of resources	Such a concentration seeks to illustrate a scenario in which a small number of international access AEs take up most of the resources
Adaptation is only 25 per cent of the portfolio	Mid-point to the target of 50 per cent
Major misuse of funds in GCF projects carried out by direct access AEs	Test mitigation measures for risks associated with direct access AEs
Impasse at the meeting of the Board leads to eight months without project approvals	No projects approved during a Board meeting
GCF-funded projects lead to forced resettlement, negatively affecting poor, vulnerable communities	A major risk that has materialized in other comparable organizations
AE violates local anti-money laundering laws	Increasingly important for risk for comparable organizations and also permits analysis of non-compliance with local laws
Legal process against the Board is initiated by contractors of GCF-funded projects	In the absence of privilege and immunity arrangements, this is an important source of risk for the GCF
Country-ownership principles are not adhered to: no objections from national designated authorities/focal points are received but the GCF and the AEs fail to have a strong dialogue on pipeline development with countries	Assesses the impact of failing to follow paragraph 3 of the Governing Instrument on implementing a country-driven approach
Financial events	
The non-performing loans (NPLs) of the GCF reach 20 per cent; loans are 10 per cent of the portfolio	The level of NPL reflects the level of cushion for losses required from loan contributors. The level of loans reflects the upper limit of expected loan and capital contributions to the GCF
A 19 per cent depreciation of EUR with respect to USD	Two times the standard deviation in the five years ending on 30 September 2015
Contributors reschedule by 18 months the encashment schedule	Rescheduling observed under stress scenarios in other comparable organizations
GCF projects fully disburse within 24 months of Board approval	While there are no guidelines on the expected period of disbursement, 24 months would test the impact on the liquidity of the GCF that a relatively fast pace of disbursement would have
Interim Trustee loses 5 per cent on liquid assets	This is a stress scenario exceeding the Interim Trustee's investment objectives of, at a minimum, preserving the invested capital
In total, 25 per cent of pledges are not converted into signed contributions by the end of the Initial Resource Mobilization (IRM)	In the absence of historical information or reasonable comparison from another organization, this is a broad estimate to illustrate the potential impact of this event
The GCF provides a USD 100 million grant to a project which goes bankrupt	Reflects the expected median size of activities deemed to be "large" as per the accreditation policy (minimum size USD 50 million)
The GCF invests 5 per cent of IRM resources in a single equity fund which loses 50 per cent of principal	The 5 per cent represents the IRM initial expected level of loan contributions to the GCF. Losses of 50 per cent are an extreme but feasible loss level in high-risk activities such as equity funds
50 per cent of borrowers request five additional years of a grace period	Stress case to assess the impact of a generalized rescheduling of debts to the GCF
Default on promissory notes/cash payment schedule by one of the top three contributors	Stress case to assess the impact of contributions that do not materialize but are already accounted for as commitment authority

26. The impact of each non-financial scenario is initially assessed by looking at the different risk triggers that would become active in each case and the adequacy of the risk mitigation measures in place. Additionally, financial scenarios are provided as inputs to a cash flow model in order to assess the impact on the financial position of the GCF and its ability to provide liquidity to approved projects. In the final step of the simulation, both financial and non-financial scenarios are pooled simultaneously to generate a range of combinations which permit the identification of the types of risk most important to the GCF. At this point, the ex-ante estimations of the risk priorities in the risk register can be updated. As a final step in the risk appetite setting process, the Board will be presented with different options for its consideration on the potential trade-off between different risk categories and will decide for which types of risk the GCF can have a higher appetite, provided that the climate change benefits outweigh the potential negative impact if those risks were to materialize.

VIII. Additional tools to operationalize risk management in the GCF

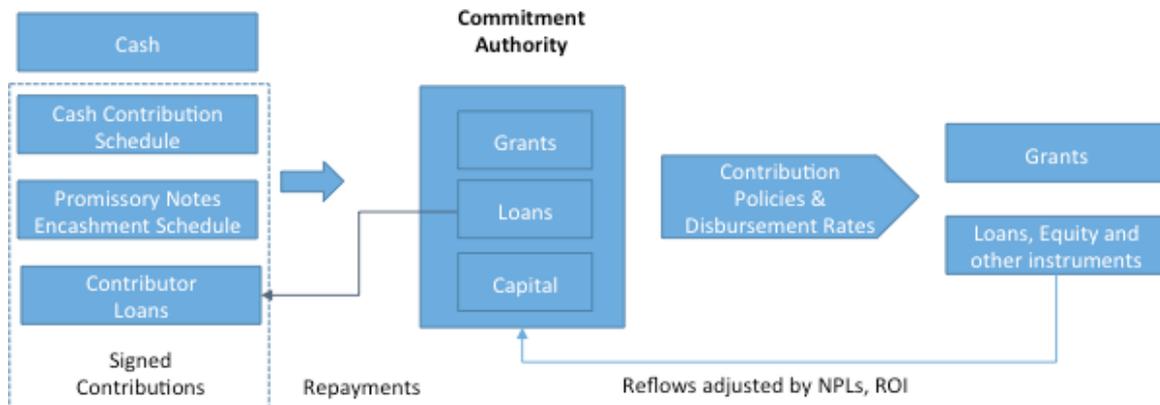
27. This section describes two additional tools essential for operationalizing the risk management policies of the GCF: the cash flow model and the financial instrument management system.

8.1 Cash flow model

28. The cash flow model (see figure 4 below) developed as part of the risk appetite methodology will be used not only to carry out simulations but more broadly as a key tool to manage the overall asset liability and liquidity risk of the GCF. It combines a contributions management module reflecting signed agreements and actual cash held by the GCF Interim Trustee. Based on this, the resources of the GCF available for commitment (its commitment authority) are calculated and allocated to approve projects according to the financial instruments deployed to support them. In order to follow the policies of contributions, the commitment authority is tracked in separate categories of contributions so that, for example, resources coming from loan contributions are allocated only to loans extended by the GCF and not to grants.

29. Allocations are made following rules set by the policies for contributions and the rate of disbursements are modelled using different scenarios based on the expected project execution period (i.e. an estimate of the period over which disbursements will be made). In the case of instruments generating reflows, these resources are fed back to the commitment authority of the GCF and allocated to each contribution type as per the contribution policy (e.g. to ensure that reflows from loans will be allocated on a pro rata basis to each type of contribution). The model also permits the GCF to analyse the impact of different rates of non-performing loans and returns on investments attained by GCF investments.

Figure 4. GCF cash flow model



8.2 Financial instrument management system

30. The financial instrument management system is the tool that the GCF will use to manage its disbursements to AEs and, in the case of instruments generating reflows, receive fees, interest, and principal and investment payments. The structure of the system has been designed and is currently being implemented through a software developer procured by the GCF. Upon testing and validation by the Secretariat, the systems will be operational by the end of the first quarter of 2016.

Annex I: Draft decision of the Board

The Board, having reviewed document GCF/B.11/07 titled “Initial risk management framework: implementation progress and risk register”:

- (a) Adopts the risk register as contained in Annex II hereto;
- (b) Requests the Secretariat to present updates to such risk register to the Board for adoption at least once a year;
- (c) Takes note of the implementation of the financial risk monitoring and reporting tools;
- (d) Also takes note of the progress report on the implementation of the risk appetite methodology; and
- (e) Further takes note of additional tools being developed to implement the risk management framework of the GCF.

Annex II: Risk register

I. Strategic risk

Risk code	1.1	1.2
Risk category	Strategic	Strategic
Subcategory	Climate impact and results	Concentration
Description	Failure to deliver the expected transformative mitigation and adaptation climate impact as defined by the objectives, investment criteria and the results management framework of the GCF	Concentration on a limited number or types of accredited entities (AEs) or geographies that fail to generate the required balance in mitigation/adaptation; pipeline of projects/programmes
Triggers	1.1.1 Low scale (i.e. the GCF remains small relative to the size of the need); 1.1.2 Ineffective use of resources due to poor overall GCF strategy; 1.1.3 Ineffective use of resources due to the poor choice of projects/programmes to fund; and 1.1.4 Insufficient demand for GCF resources	1.2.1 Poor outreach or an excessively complicated accreditation process limits interest by entities to be accredited, leading to reliance on a limited number of them; 1.2.2 Pipeline management and approval process fail to adequately balance projects/programmes by AE/geography/financial instrument; and 1.2.3 Deployment of funding through relatively few, large projects/programmes
Mitigation	Internal governance, investment criteria, results management framework, monitoring and evaluation, resource mobilization, country programming outreach efforts, readiness programme, and accreditation process	Portfolio reports, including concentration levels (on profile of AEs, levels of approved funding, countries, instruments and project typology) to inform Board decisions on accreditation and funding approval and the Secretariat on pipeline development. Investment criteria
Owner	Board, Executive Director and Directors	Board, Executive Director and Directors
Probability	Somewhat likely (SL)	Likely (L)
Impact	High (H)	H
Priority	H	Medium (M)
Key risk indicator	Portfolio management overall annual assessment, including measurement of the core adaptation and mitigation indicators agreed in decision B.07/04	Herfindahl-Hirschman Index for AEs/ percentage distribution by number of projects and financial resources by geographical location and adaptation versus mitigation

Risk code	1.3	1.4	1.5
Risk category	Strategic	Strategic	Strategic
Subcategory	Portfolio management	Accountability	Country ownership
Description	Failure to build an optimal portfolio of projects/programmes as defined by the initial results management framework of the GCF	Failure of governance to enable and make timely decisions in corporate affairs or to respond to guidance of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP)	Failure to develop a portfolio of projects and programmes that is fully aligned with country priorities and strategies; that fosters the involvement of local actors; and that is consistent with the country's debt sustainability framework
Triggers	1.3.1 Weak oversight by AEs, national designated authorities (NDAs) and the GCF on delivery of GCF investments and weak enforcement of remedial actions on low-performing projects; 1.3.2 Poor application of the results management framework to measure evolution of GCF-level results and adjust pipeline and portfolio accordingly; and 1.3.3 Ineffective identification (by the GCF, AEs, NDAs or other partners) of investment opportunities with strong paradigm shift potential	1.4.1 COP guidance that is difficult to operationalize/translate into specific policies; 1.4.2 Inability to take timely decisions due to overloading of meeting agendas; and 1.4.3 Failure to implement and/or develop procedures to address decision-making between Board meetings	1.5.1 NDAs'/focal points' low capacity, including due to limited support from the GCF or due to mismatch between NDAs/focal points with national overall priorities; 1.5.2 Failure of the GCF to incorporate NDAs/focal points, including due to weaknesses in the no-objection process; and 1.5.3 Insufficient GCF support to direct access and other local accredited entities, leading to a low proportion of projects being proposed by these entities
Mitigation	Second-level due diligence process; independent Technical Advisory Panel; active oversight in portfolio management; monitoring and evaluation; and remedial actions when projects do not perform	Board procedures, intersessional decision-making arrangements and procedures for decision-making in the absence of consensus (under development)	Country programming outreach process to NDAs/focal points; GCF readiness programme; no-objection process from NDAs/focal points; and second-level due diligence
Owner	Board, Executive Director and Directors	Board	Board, Executive Director and Directors
Probability	L	L	L
Impact	H	H	H
Priority	M	M	M
Key risk indicator (KRI)	Analysis of portfolio distribution and linkages to observed GCF-level impacts on mitigation and adaptation	Delay in days between the presentation of a proposed decision to the Board and actual decision-making; and assessment of divergence between COP guidance and actual Board decisions	Qualitative assessment from NDAs

II. Reputational risk

Risk code	2.1	2.2	2.3
Risk category	Reputational	Reputational	Reputational
Subcategory	Business practices and results	Unexpected shocks	Accredited entities and other partners' activities
Description	Events or issues that have a materially adverse effect on the credibility of the GCF in developing countries or with contributors, accredited entities or civil society organizations. This includes the GCF being perceived as lacking added value, being over bureaucratic, not adhering to countries' priorities or managing its resources poorly	Adverse publicity that occurs as a result of fraud, implementation failure or other types of unforeseen shocks related to the operations of the GCF	Adverse publicity that occurs as a result of activities not related to the GCF of accredited entities (AEs) and other partners involved in projects/programmes, or from their lack of disclosure of relevant information
Triggers	2.1.1 Ineffective dissemination of results delivered by GCF-supported projects/programmes, including presenting added value with respect to other financial partners; 2.1.2 Overly complex procedures to access GCF funding or failure to communicate in simple language the steps to access such funding; and 2.1.3 Slow decision-making processes at the Board, Secretariat, accredited entity or country level	2.2.1 Poor oversight of AEs by the GCF; 2.2.2 Poor oversight by AEs of executing entities, including with respect to adherence to procurement, environmental and social safeguards, as well as financial management; and 2.2.3 Failure to develop strong relationships with media, civil society organizations (CSOs) and other stakeholders	2.3.1 Failure of due diligence during the accreditation process; 2.3.2 Lack of internal 'early warning systems' based on media monitoring and engagement with other stakeholders; and 2.3.3 Lack of adequate institutional capacity in the Secretariat to monitor the number and complexity of AEs and other partners, thus increasing the difficulty of monitoring emerging risks
Mitigation	Communications strategy (in progress), including the approach to disseminating results, internal processes manuals (in progress), readiness programme, accreditation process, country programming outreach, financial management processes of the GCF, media monitoring, participation of observers in Board meetings	Accreditation process, oversight actions taken by the GCF as specified in the master agreement signed with AEs, portfolio management, including review of the progress report for each project, activities of the Redress Mechanism and Integrity Unit, and media monitoring	Accreditation process, media monitoring, country programming and portfolio management units' engagement with AEs, national designated authorities (NDAs), CSOs and other stakeholders

Risk code	2.1	2.2	2.3
Owner	Board, Executive Director, Directors and Chief Financial Officer	Board, Executive Director, Directors and Heads of Accountability Units	Executive Director and Director
Probability	Somewhat unlikely (SU)	Somewhat likely (SL)	Likely (L)
Impact	Somewhat disruptive (SD)	High (H)	H
Risk code	2.1	2.2	2.3
Priority	Medium (M)	H	M
Key risk indicator	Percentage and number of negative media reports related to this risk subcategory (as opposed to positive and neutral); periodic survey of NDAs, AEs and observers	Percentage and number of negative media reports related to this risk subcategory (as opposed to positive and neutral)	Percentage and number of negative media reports related to this risk subcategory (as opposed to positive and neutral)

III. Operational risk

Risk code	3.1	3.2
Risk category	Operational	Operational
Subcategory	Accredited entities (AEs) and other parties' risk	Fiduciary
Description	Failure of AEs to comply with the AE master agreement, including in terms of information disclosure. Lack of implementation capacity of AEs, leading to lack of or slow disbursement. Failure of other parties, including executing entities (EEs), involved in GCF projects and programmes to comply with their respective agreements with the GCF or with AEs	Failure of the GCF to exercise effectively its fiduciary duty due to: (a) failure of internal controls in administrative and operational procedures; (b) failure to effectively monitor risks and follow appropriate mitigation procedures, including due to the use of improper analytical models; (c) failure to oversee AEs (and their oversight over executing entities); (d) failure to monitor and engage national designated authorities (NDAs); and (e) internal or external fraud
Triggers	3.1.1 Inadequate accreditation process; 3.1.2 Accreditation master agreement not aligned with implementation circumstances in certain countries/sectors/type of AEs; and 3.1.3 Deterioration in AEs' institutional capacity and performance, including with respect to their ability to oversee executing entities	3.2.1 Absence of or unclear internal processes manuals and controls; 3.2.2 Defective AE master agreement that limits the ability of the GCF to exercise its fiduciary duty; and 3.2.3 Inadequate external audits of the GCF, AEs or EEs with respect to activities carried out with GCF funding
Mitigation	Accreditation process; oversight of AEs through periodic monitoring and default clauses in the AE master agreement; portfolio management system	Technical imposed controls in computer systems; periodic internal controls review, including the Committee of Sponsoring Organizations of the Treadway Commission exercise. Risk management framework; portfolio management systems; periodic review, including spot checks, of AE activities; periodic engagement with NDAs; yearly audit of the GCF and of funded activities
Owner	Executive Director and Directors	Board, Executive Director and Directors
Probability	Somewhat likely (SL)	SL
Impact	Somewhat disruptive (SD)	SD
Priority	High (H)	H
Key risk indicator (KRI)	Number of non-compliance with legal agreements/deviation in monetary terms from expected rate of disbursements	Number of operational incidents and associated loss

Risk code	3.3	3.4
Risk category	Operational	Operational
Subcategory	Staffing	Business disruption
Description	Operational failures, losses and other disruptions arising from the staffing model of the GCF, including staff headcount level and external consultants, as well as from problems with recruitment, retention, succession planning, integrity and morale among GCF staff	Disruption of business due to catastrophic events or systems failures (hardware, software, telecommunications, unrest)
Triggers	3.3.1 Inadequate professional profile and insufficient GCF staff; 3.3.2 Inadequate workload per staff and/or lack of expectations regarding career progression; and 3.3.3 Use of consultants who only provide limited knowledge transfer to staff and who may have divided loyalties	3.4.1 Disruption in the provision of public services to GCF headquarters or strife that prevents temporary or permanent access to GCF headquarters; 3.4.2 Inaccessibility of GCF information assets, including failure of remote backup server systems and failure to develop and implement a remote-working location arrangement; and 3.4.3 Low-quality hardware and software developed or procured by the GCF
Mitigation	Human resources guidelines, including a competitive benefits package, effective performance management system, and continuous learning opportunities; actions to sustain staff morale; Board empowering of Secretariat staff; Integrity Unit	Cloud-centric way of holding and securing information assets, combined with mobile computing, to allow staff to work remotely. A business continuity management system consistent with International Organization for Standardization (ISO) 22301:2012 is under development
Owner	Board, Executive Director, Directors and Integrity Unit	Chief Financial Officer
Probability	High (H)	Likely
Impact	SD	H
Priority	H	Medium
Key risk indicator (KRI)	Number of long-term unfulfilled positions, turnover rate, periodic benchmarking against similar organizations, number of incidents and associated losses involving rogue employees, consultants/staff ratio, staff survey, outcomes of performance management tools, ratios relating to: number of staff/level of GCF financial assets, number of staff/number of NDAs, AEs and projects	Number of events and associated impact, as well as outcomes of periodic simulated events

IV. Legal risk

Risk code	4.1	4.2	4.3
Risk category	Legal	Legal	Legal
Subcategory	Legislative	Contractual	Non-contractual
Description	Failure by the GCF, accredited entities (AEs) or executing entities to implement legislative or regulatory requirements related to the operations or engagements of the GCF in situations where governing laws or rules are ambiguous or untested	Use of defective contracts that expose the GCF to disputes and losses	The GCF, AEs or executing entities fail to keep to the spirit, as well as the letter, of non-contractual law: for example, with respect to infringement of third-party intellectual property rights
Triggers	4.1.1 Lack of privileges and immunities for the GCF and its staff in all countries where the GCF operates; 4.1.2 Improper monitoring of legislative/regulatory changes applicable to the GCF, including due to poor communication with host country authorities; and 4.1.3 Inconsistency between regulations and laws applicable to the GCF and Board decisions, and other internal policies	4.2.1 Improper drafting of legal contracts by GCF legal staff, including due to improper monitoring of applicable laws; 4.2.2 Deviation from master/framework legal agreements; and 4.2.3 Improper drafting of a mediation mechanism clause	4.3.1 Non-compliance by the GCF, AE or executing entities with non-contractual law; 4.3.2 Failure of the GCF to follow generally accepted duty of care with staff, Board members or other stakeholders; and 4.3.3 Failure of an executing entity to follow procurement and environmental and social safeguards practices consistent with those established in the AE master agreement
Mitigation	General Counsel (GC) review of the operating environment of the GCF; accreditation process; portfolio and media monitoring; privileges and immunities (not yet in place)	GC and, where applicable, senior management review of all contracts. Use of external counsel if necessary. Privileges and immunities (not yet in place)	GC oversight of legal documents and internal practices. Adequate staffing of portfolio management teams. Oversight of commitments in the AE master agreement and in the funded activity agreement
Owner	Executive Director, Directors and GC	Executive Director, Directors and GC	Board, Executive Director and Directors
Probability	Somewhat likely	Likely (L)	L
Impact	High (H)	H	Somewhat non-disruptive
Priority	H	Medium (M)	M
Key risk indicator	Number of events (sanctions, legal suits) and associated losses	Number of events (sanctions, legal suits) and associated losses	Number of events (sanctions, legal suits) and associated losses

V. Compliance

Risk code	5.1	5.2
Risk category	Compliance	Compliance
Subcategory	External	Internal
Description	Failure to comply with the applicable established laws, regulations, policies and standards and codes of conduct set by countries in which the GCF operates and by international law	Failure of staff or Board members to comply with the standards and codes of conduct that are set by the GCF itself through its policies and procedures
Triggers	5.1.1 Lack of privileges and immunities for the GCF and its staff in all countries where the GCF operates; 5.1.2 Ineffective/inefficient staff to monitor compliance; and 5.1.3 Uncertainty regarding laws/regulations/policies from countries where the GCF operates applicable to the GCF	5.2.1 Lack of compilation of policies, procedures, standards of codes; 5.2.2 Lack of enforcement by the Board or Secretariat management; and 5.2.3 Real or perceived ineffectiveness of the Integrity Unit
Mitigation	Fiduciary policies, including anti-money laundering/countering the financing of terrorism (under development). Environmental and social safeguards; periodic exchanges with home country authorities; privileges and immunities (not yet in place)	Board meetings; internal processes manuals (under development); Integrity Unit
Owner	Executive Director, General Counsel, Chief Financial Officer (CFO) and Directors	Board, Executive Director, General Counsel, CFO, Directors and Integrity Unit
Probability	Somewhat likely	Somewhat unlikely
Impact	High (H)	Somewhat disruptive
Priority	H	Medium
Key risk indicator	Number of events and associated loss (if any)	Number of events and associated loss (if any)

VI. Performance risk

Risk code	6.1	6.2	6.3
Risk category	Performance	Performance	Performance
Subcategory	Temporal	Monetary	Investment criteria
Description	Failure of accredited entities (AEs) or executing entities (EEs) to respect tenors and/or schedules as pertain to financial obligations or the execution of projects/programmes	Failure of AEs and EEs to honour financial obligations in a timely manner. This includes credit risk; counterparty risk; equity risk; and political risk, including nationalization, expropriation, convertibility and transferability	Failure of AEs or EEs to adhere to the investment criteria results to which they committed themselves
Triggers	6.1.1 Temporary inability of AE or EE to make timely payments either due to events related to the project/programme funded by the GCF or to external events; and 6.1.2 Lax project implementation by AE leads to significant delays in project execution	6.2.1 Inability (insolvency) of AE or EE to make payments, either due to events related to the project/programme funded by the GCF or to external events; 6.2.2 GCF remedies in cases of default are ineffective (or such perception exists among AEs and EEs), including due to the arbitration clause in GCF legal agreements being successfully contested in court; and 6.2.3 Grant is lost in the bankruptcy process and the project is not implemented	6.3.1 Investment criteria are not specific enough to guide AE/EE and the GCF fails to provide further specificity in legal documents associated with each investment; 6.3.2 Reporting requirements from AE/EE are insufficient to assess compliance with investment criteria (including due to a reporting time lag); and 6.3.3 Poor oversight by the GCF of AE activities or failure to identify potential deviations from the investment criteria during the project/programme approval phase
Mitigation	Accreditation process; project approval process; AE monitoring process as specified in the AE master agreement; portfolio management oversight and remedial actions for low-performing projects; media and other public sources monitoring	Accreditation process; project approval process; AE monitoring process as specified in the AE master agreement; portfolio management system; media and other public sources monitoring	Accreditation process; project approval process; AE monitoring process as specified in the AE master agreement; media and other public sources monitoring; periodic interaction with the national designated authorities (NDAs)
Owner	Executive Director, Directors, Chief Financial Officer (CFO) and Risk Manager	Executive Director, Directors, CFO and Risk Manager	Executive Director, Directors, CFO and Risk Manager
Probability	Somewhat unlikely (SU)	SU	SU

Risk code	6.1	6.2	6.3
Impact	Somewhat non-disruptive (SND)	High	SND
Priority	Low (L)	Medium (M)	L
Key risk indicator (KRI)	Number and amount of rescheduled flows as percentage of portfolio	Non-performing loans and write-offs	Number of instances of deviation and amount of resources involved, costs (operational and financial) incurred on correcting such deviations

Risk code	6.4
Risk category	Performance
Subcategory	Concentration
Description	Failure to sufficiently diversify the portfolio of AEs/EEs and/or investments such that a material adverse event related to a restricted number of AEs/EEs and/or projects would have a portfolio-level threatening impact on the GCF
Triggers	6.4.1 Failure of the project approval process to identify impact of specific project on the overall concentration profile; and 6.4.2 Failure to periodically adjust the criteria for project approval to keep an adequate balance of the portfolio with respect to AE/EE or instruments used
Mitigation	Accreditation process; project approval process; portfolio management system; AE monitoring process as specified in the AE master agreement; media and other public sources monitoring; periodic interaction with the NDAs
Owner	Executive Director, Directors, CFO and Risk Manager
Probability	SU
Impact	Somewhat disruptive
Priority	M
Key risk indicator (KRI)	Herfindahl-Hirschman Index for AE and instrument type; list of 10 top AEs by exposure; list of 10 top EEs by exposure

VII. Funding risk

Risk code	7.1	7.2
Risk category	Funding	Funding
Subcategory	Conversion	Encashment
Description	Failure to convert pledges into contributions in a timely manner	Expected payments in cash or the encashment of promissory notes do not materialize within the expected time frame
Triggers	7.1.1 Fiscal issues arising in contributor countries; 7.1.2 Delays in legal processes within contributor countries or changes in policy priorities with respect to climate change; and 7.1.3 Loss in confidence of contributor countries in the effectiveness of the GCF	7.2.1 Fiscal issues arising in contributor countries; 7.2.2 Change in policy priorities with respect to climate change; and 7.2.3 Real or perceived inability of the GCF to enforce contribution arrangements
Mitigation	Resource mobilization reports to the Board; periodic engagement with contributors; media and other public sources monitoring	Resource mobilization reports to the Board; periodic engagement with contributors; media and other public sources monitoring
Owner	Executive Director, Chief Financial Officer (CFO) and Risk Manager	Executive Director, CFO and Risk Manager
Probability	Somewhat likely	Likely (L)
Impact	High (H)	Somewhat disruptive
Priority	H	Low (L)
Key risk indicator (KRI)	Percentage of pledges remaining unsigned (for each year of the replenishment period)	Amount of payment/encashment of note not received and number of months of delay per contributor

Risk code	7.3	7.4
Risk category	Funding	Funding
Subcategory	Reflow	Concentration
Description	Expected reflows to the GCF from the project portfolio do not materialize within the expected time frame	Failure to sufficiently diversify the portfolio of contributors such that a materially adverse event related to one or a few key contributors would give rise to a GCF-threatening liquidity or solvency situation
Triggers	7.3.1 Performance risk; and 7.3.2 Failure of GCF grant/loan management (operational risk) system to identify missing flows	7.4.1 Support for climate change financing is limited to a relatively reduced number of countries due to evolving policy priorities; 7.4.2 Failure of replenishment processes due to ineffective outreach to contributors; and 7.4.3 Impasse occurs at the level of the Conference of the Parties to the United Nations Framework Convention on Climate Change
Mitigation	Periodic testing of internal management systems	Resource mobilization reports to the Board; periodic engagement with contributors; commitments management system; media and other public sources monitoring
Owner	Executive Director, CFO and Risk Manager	Executive Director, CFO and Risk Manager
Probability	Somewhat unlikely	L
Impact	H	H
Priority	Medium (M)	M
Key risk indicator (KRI)	Amount of missing reflows and number of months of delay per AE	Herfindahl-Hirschman Index for contributors and/or list of top five contributors as percentage of replenishment

VIII. Market risk

Risk code	8.1	8.2	8.3
Risk category	Market	Market	Market
Subcategory	Foreign exchange (FX)	Interest rate	Liquidity
Description	Foreign exchange risk	Adverse changes in interest rates, including investment losses in the liquid cash portfolio of the GCF	Timing mismatch between the cash inflows and cash outflows, leading to shortages in the ability of the GCF to face its payment obligations (including disbursements to accredited entities (AEs))
Triggers	8.1.1 FX fluctuations affecting the value of un-encashed signed contributions; 8.1.2 FX fluctuations affecting the value of reflows to the GCF; and 8.1.3 FX fluctuations affecting the value of commitments made to AEs for grants and loans made in currencies different to the holding currency of the GCF	8.2.1 Change in interest rates generates losses in the Trustee investment of the liquid portfolio of the GCF; and 8.2.2 Prepayment risk of fixed-rate financial instruments provided by the GCF	8.3.1 Delay in encashment of signed contributions; 8.3.2 Disbursement requests from AE exceeding expected rate; and 8.3.3 Rescheduling of loans extended by the GCF
Mitigation	Instruments management system (in progress); FX reserve; FX hedging	Periodic review of trustee investment policies; project approval process; asset-liability management system	Cash flow model; financial instruments management system
Owner	Board, Executive Director, Chief Financial Officer (CFO) and Risk Manager	Executive Director, Director, CFO and Risk Manager	Executive Director, CFO and Risk Manager
Probability	Somewhat likely (SL)	SL	SL
Impact	Somewhat disruptive (SD)	Somewhat non-disruptive	SD
Priority	High (H)	Medium	H
Key risk indicator	Historical losses adjusted to take into account FX positions that cannot be hedged on an economic basis	Value at risk of liquid portfolio and amount of fixed-rate loans extended by the GCF subject to prepayment risk	Duration mismatch and/or percentage of available funds held as a liquidity cushion

IX. Priority table

Occurrence probability \ Impact	Low (L)	Somewhat non-disruptive (SND)	Somewhat disruptive (SD)	High (H)
Low (L)	Low priority	Low priority	Low priority	Medium priority
Somewhat unlikely (SU)	Low priority	Low priority	Medium priority	Medium priority
Somewhat likely (SL)	Low priority	Medium priority	High priority	High priority
High (H)	Medium priority	Medium priority	High priority	High priority

Annex III: Portfolio dashboard reporting template

PORTFOLIO MANAGEMENT DASHBOARD

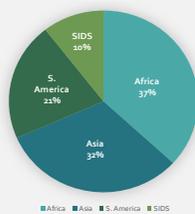


TOTAL COMMITTED	TOTAL DISBURSED	COFINANCING LEVERAGED	UNCOMM. FUND BALANCE	NPL INDICATOR	FX GAIN/LOSSES
102,000,000	20,000,000	1,200,500,000	398,000,000		

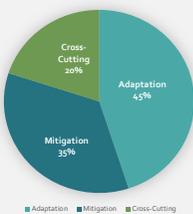
REGIONAL PORTFOLIO DISTRIBUTION

ALLOCATION	TARGET	ACTUAL	TARGET-ACTUAL
ASIA-ADAP1	20%	26%	-6%
SAM-MIT1	25%	21%	4%
SAM-ADAP2	25%	28%	-3%
AFR-ADAP3	15%	13%	2%
AFR-MIT2	15%	12%	3%

REGIONAL ALLOCATION (COMMITTED)



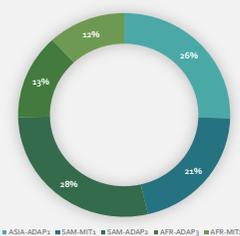
PROGRAM BALANCE (COMMITTED)



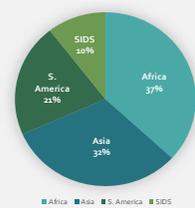
FINANCIAL INSTRUMENTS (COMMITTED)



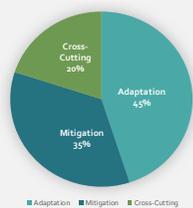
OVERALL PROFILE (ACTUAL)



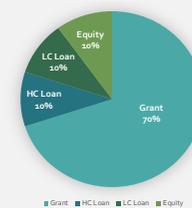
REGIONAL ALLOCATION (DISBURSED)



PROGRAM BALANCE (DISBURSED)



FINANCIAL INSTRUMENTS (DISBURSED)



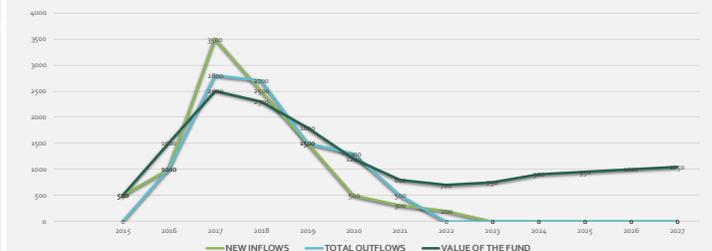
Portfolio Overview

PROGRAM	COMMITMENT	DISBURSED	UNDISBURSED	CANCELLATIONS	DISB. LAG	REFLOWS	NON-ACCRUAL
ASIA-ADAP1	850,210	746,890	103,320	10,000	30%	400	0
SAM-MIT1	693,820	630,123	63,697	5,000	40%	150	0
SAM-ADAP2	938,271						
AFR-ADAP3	450,212						
AFR-MIT2	394,323						
PROJECT							
AFRA201	28,105						
ASAM790	13,042						
SAMA283	59,201						
SIDSA141	104,821						
SIDSM214	201,384						
UNA211	392,801						
AFRM112	20,984						
SAMM783	48,277						
SIDSA882	3,942						
AFRA114	12,393						
ASAA200	87,402						
AFRA882	97,820						
UNM901	138,400						
SIDSA74	89,802						
Grant Total	4,624,108						

*Applicable for equity/guarantee

CASH FLOW PROJECTION

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
NEW INFLOWS	500	1000	3500	2500	1500	500	300	200	0	0	0	0	0
TOTAL OUTFLOWS	0	1000	2800	2700	1500	1300	500	0	0	0	0	0	0
VALUE OF THE FUND	500	1500	2500	2300	1800	1200	800	700	750	900	950	1000	1050



Top 10 Co-Financing Projects

SYMBOL	GCF	TOTAL
AFRA201	10%	2123014
ASAM790	20%	1298124
SAMA283	8%	302314
SIDSA141	10%	880112
SIDSM214	9%	882131
UNA211	-3%	712141
AFRM112	5%	652312
SAMM783	-1%	321213

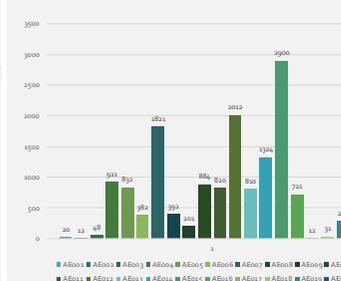
Top 10 GCF Commitments

SYMBOL	COMMITTED	TOTAL
AFRM112	21%	2103
SAMM783	14%	1389
SIDSA882	20%	1302
AFRA114	10%	1220
ASAA200	3%	1222
AFRA882	9%	1200
UNM901	2%	890
SIDSA74	-1%	780

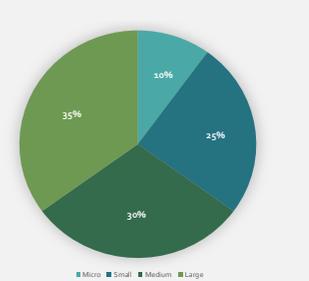
Top 10 Risks

SYMBOL	RISK METRICS	2016	TOTAL
AFRM112	21%	2103	
SAMM783	14%	1389	
SIDSA882	20%	1302	
AFRA114	10%	1220	
ASAA200	3%	1222	
AFRA882	9%	1200	
UNM901	2%	890	
SIDSA74	-1%	780	

DISBURSEMENT BY ACCREDITED ENTITIES



PROJECT SIZE DISTRIBUTION

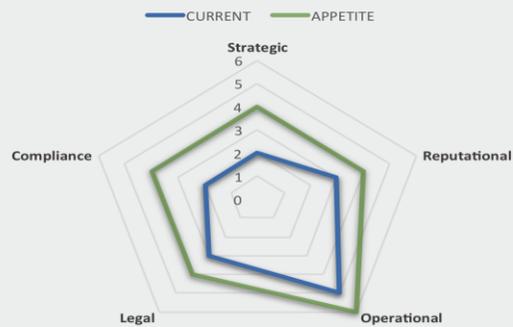


Annex IV: Risk reporting template

SUMMARY

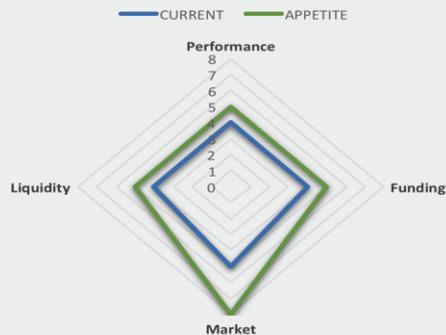
This would be a 1-2 summary overview of the evolution of risks during the last quarter and key emerging risks in the horizon. Significant deviations from the appetite are highlighted graphically through diamond charts and the Comments section for that specific risks describes actions being taken to address it.

NON-FINANCIAL RISKS



	CATEGORY	COMMENTS	KRI	APPETITE	CURRENT
STRATEGIC	Climate Impact & AE Concentration				
	Portfolio Management				
	Accountability				
REPUTATIONAL	Country Ownership				
	Business Practices				
	Unexpected Shocks				
OPERATIONAL	AE and other parties				
	Fiduciary				
	Staffing				
LEGAL	Business disruption				
	Legislative				
	Contractual				
COMPLIANCE	Non-contractual				
	External				
	Internal				

FINANCIAL RISKS



	CATEGORY	COMMENTS	APPETITE	CURRENT
PERFORMANCE	Temporal			
	Monetary			
	Investment Criteria			
	Concentration			
FUNDING	Conversion			
	Encashment			
	Reflow			
	Concentration			
MARKET	Foreign Exchange			
	Interest Rate			
	Liquidity			