



**GREEN  
CLIMATE  
FUND**

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**GCF/B.12/Inf.02**

4 March 2016

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# Report on the activities of the Secretariat

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## **Summary**

This report is intended to inform the Board on activities carried out by the Secretariat over recent months, particularly from November 2015 to February 2016, including the activities related to: (a) the implementation of mandates outlined in previous decisions of the Board; and (b) portfolio development; readiness and preparatory support; accreditation; legal, financial and administrative support; resource mobilization; communications and outreach; and support to the Board.

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## I. Introduction

1. This report is intended to inform the Board on the activities carried out by the Secretariat over recent months, particularly since the eleventh meeting of the Board (B.11) (the period from November 2015 to February 2016), including activities related to: (a) the implementation of mandates outlined in previous decisions of the Board; and (b) portfolio development; readiness and preparatory support; accreditation; legal, financial and administrative support; resource mobilization; communications and outreach; and support to the Board.

2. Detailed updates of the activities of the Secretariat regarding individual Board mandates are provided in related documents developed for consideration by the Board at its twelfth meeting (B.12).

## II. Activities of the Secretariat

### 2.1 Portfolio development

#### 2.1.1 Public sector pipeline

3. 4As at the end of February 2016, 15 funding proposals for the public sector, corresponding to USD 439 million of GCF funding, have a 50 per cent probability (or greater) of being presented to the Board in 2016 (table 1). Since B.11, the Secretariat has received 11 public sector concept notes and four funding proposals from accredited entities (AEs) and national designated authorities (NDAs), corresponding to USD 900 million of GCF funding. Overall, the Secretariat has received 27 public sector funding proposals, corresponding to USD 793 million of GCF funding and a total value of USD 1.8 billion.

**Table 1: Public sector pipeline with a >50 per cent probability of presentation to the Board in 2016**

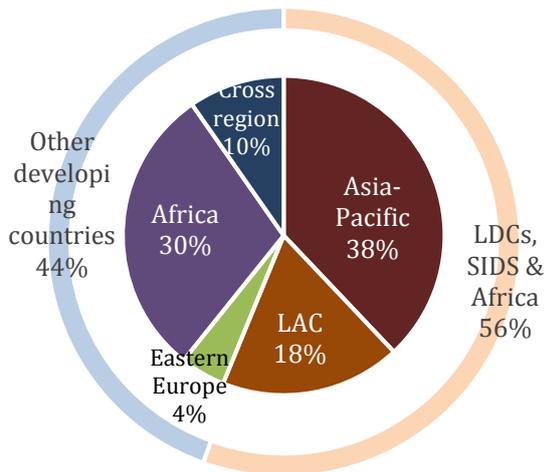
No	Region	Proposal name	GCF amount (USD million)	Total size (USD million)
1	Asia-Pacific	Energy and infrastructure project	50	206
2	LAC	Energy efficiency project	22	42
3	EE	Energy efficiency project	20	30
4	Asia-Pacific	Disaster risk management project	37	42
5	Africa	Energy and transport programme	41	230
6	Africa	Ecosystem adaptation project	23	28
7	Africa	Disaster risk management project	25	30
8	LAC	Energy programme	40	110
9	Asia-Pacific	Resilient communities project	30	40
10	Africa	Ecosystems and wetlands project	25	45
11	LAC	Agriculture resilience programme	18	20
12	Cross region	SIDS adaptation programme	42	133
13	Asia Pacific	Natural resource management programme	19	64
14	Africa	Disaster risk management project	16	77
15	Asia-Pacific	SIDS adaptation project	31	34
<b>Total</b>			<b>439</b>	<b>1,131</b>

**Abbreviations:** EE = [energy efficiency], LAC= Latin America and the Caribbean, SIDS = small island developing States.

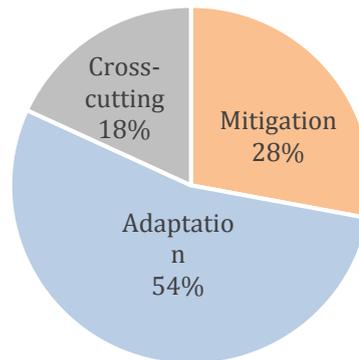
4. More than half of these 15 proposals target adaptation, and are located in small island developing States, the least developed countries and Africa (figures 1 and 2).



**Figure 1. Geographic and thematic distribution of the public sector pipeline with a >50 per cent probability of presentation to the Board in 2016 (percentage of requested GCF funding)**



**Figure 2. Thematic distribution of the public sector pipeline with a >50 per cent probability of presentation to the Board in 2016 (percentage of requested GCF funding)**



**Abbreviations:** LAC= Latin America and the Caribbean, LDCs = least developed countries, SIDS = small island developing States.

5. The technical teams of the Secretariat have provided support to all relevant AEs and NDAs in preparing concept notes and funding proposals. As a result, as at 23 February 2016, 13 funding proposals were being reviewed by the Secretariat against the investment criteria of the GCF and consistency with its policies (stage 2), while two are being reviewed by the independent Technical Advisory Panel (TAP) (stage 3). The teams have also reached out and informed NDAs and AEs, particularly direct access entities, about the Readiness Programme and the new Project Preparation Facility (PPF), and provided advice on the modalities for accessing these instruments to develop projects or programmes fit for the GCF.

6. Regarding the public sector projects approved at B.11 (six projects), the teams of the Secretariat have engaged with the AEs to advance the legal arrangements and their effectiveness. For one project, the accreditation master agreement (AMA) was successfully completed. For the other projects, entities' internal approvals, and conditions and the implementation of the recommendations set in the funding decisions are also advancing.

### 2.1.2 Pipeline of the Private Sector Facility

7. The Private Sector Facility (PSF) of the Secretariat has a pipeline of seven potential projects and programmes with a 50 per cent (or greater) chance of being presented to the Board in 2016, for a total GCF participation of USD 1.0 billion supporting projects and programmes worth USD 4.2 billion (table 2). Overall, in 2015, the PSF has reviewed 18 private sector project funding proposals and concept notes requesting USD 1.4 billion of GCF funding to support USD 6.4 billion worth of projects and programmes.

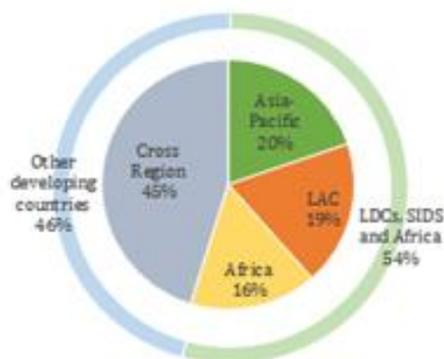
**Table 2: Private sector pipeline with a >50 per cent probability of presentation to the Board in 2016**

No	Region	Proposal name	GCF amount (USD million)	Total size (USD million)	CN/FP
1	LAC	Renewable Energy	49	263	FP
2	LAC	Forestry and Agriculture Programme	40	300	FP
3	East. Europe and Asia	Renewable Energy and Energy Efficiency Programme	462	1,700	FP
4	Africa	Renewable Energy Programme	132	500	FP
5	Africa	Forestry Notes Programme	35	45	CN
6	Asia	Transportation Programme	202	450	CN
7	LAC	Landscape Programme	103	1,000	CN
<b>Total</b>			<b>1,023</b>	<b>4,258</b>	

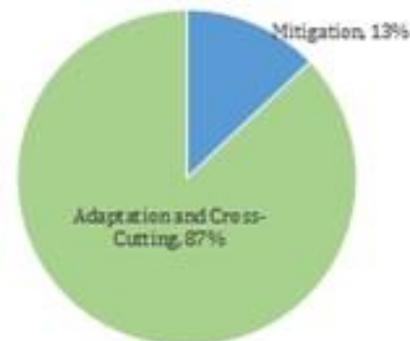
**Abbreviations:** CN = [concept note], FP = focal point, LAC= Latin America and the Caribbean.

8. Four of these seven projects and programmes are in small island developing States, the least developed countries and Africa (evenly spread across regions), and mostly target cross-cutting climate themes (figures 3 and 4).

**Figure 3. Regional distribution of the pipeline with a greater than 50 per cent probability of presentation to the Board in 2016 (percentage of requested GCF funding for the Private Sector Facility)**



**Figure 4. Thematic distribution of the pipeline with a greater than 50 per cent probability of presentation to the Board in 2016 (percentage of the requested GCF funding for the Private Sector Facility)**



**Abbreviations:** LAC= Latin America and the Caribbean, LDCs = least developed countries, SIDS = small island developing States

9. Regarding the two projects/programmes approved by the Board at B.11– KawiSafi Ventures Fund and the Energy Efficiency Green Bond programme – both AEs, Acumen and the Inter-American Development Bank, have accepted the conditions as set out by the Board (decision B.11/11).

10. As regards the request to focus on the accreditation of entities that work with the private sector in response to decision B.09/09, paragraph (e), and taking into account decision B.10/06, paragraph (h), requesting the Secretariat to ensure a balanced diversity in the accreditation process, including between entities under the direct access and international access modalities, the PSF has reached out to 12 potential private entities which could enhance the capabilities of the GCF in extending equity funds. These potential AEs are mainly based in Africa and Asia (table 3).

**Table 3: Access modality, activity type and region of 12 potential private sector accredited entities**

Access type		Activity type			Region
Expected direct access track	Expected international access track	Commercial lender	Private equity	Philanthropic	
9	3	7	4	1	3 x Africa 3 x Asian LDC 2 x Asia

**Abbreviation:** LDC = least developed country” after this table.

11. Five of these 12 entities have requested an Online Accreditation System account from the GCF. Nine are potential direct access entities, out of which three have been nominated by the country’s NDA.

12. Finally, following the recommendation of the Private Sector Advisory Group, and taking into account inputs from civil society and private sector organizations,<sup>1</sup> PSF has further advanced the two proposed pilots in support of (a) funding micro-, small- and medium-sized enterprise (MSME) activities that are climate sensitive, and (ii) mobilizing funding at scale. The request for proposal (RFP) process (initially launched in August 2015 and relaunched in January 2016) to hire two firms to manage the design and establishment of each RFP is ongoing. Five proposals were submitted for the RFP mobilizing funding at scale and four for the RFP MSME, which are currently under review. However, since only one firm has submitted a proposal for MSME, the MSME RFP was relaunched in January 2016.

## 2.2 Simplification of the funding proposal template

13. In decision B.11/11, paragraph (o), the Board requested the Secretariat “in consultation with the TAP, national designated authorities, focal points and accredited entities to simplify the funding proposal template and concept note template in an expeditious manner”. The Secretariat launched the simplification process following B.11 in November 2015. Inputs received from five AEs, one NDA and the TAP highlighted the need to minimize duplication, provide additional guidance on specific sections, and clarify the level of detail of the information to be provided. The simplification process entailed three phases:

- (a) The consolidation of inputs and comments from AEs, NDAs and the TAP. Inputs and comments were analysed and incorporated, to the extent possible, in the revised template. Consultations were also held internally across divisions;
- (b) Structural changes were made to reduce duplication and shorten the template, while ensuring logical flow of the sections. This phase also included the reorganization of sections and merging of subsections where needed; and
- (c) Guiding annotations in each subsection were edited, clarified and fine-tuned.

14. The revised funding proposal template (preliminary draft) contains six sections (reduced from nine) and 12 pages (reduced from over 20) and is provided in annex II.

## 2.3 Proposal approval processes

15. Following guidance from the Board provided at B.11, the Secretariat has sought written inputs from Board members with regard to the document GCF B.11/17 titled “Simplified

<sup>1</sup> Contributions were received from nine civil society and six private society organizations.

processes for approval of proposals for certain activities, in particular small-scale activities”. The Secretariat received submissions of inputs from eight Board members (one additional submission was received after the deadline), compiled the inputs and circulated the compilation document to the Board on 28 January 2016.

16. Furthermore, following the request by the Board at B.11 to review the initial proposal approval process, the Secretariat has started the review under the guidance of the ad hoc group for the strategic plan (see details in annex I). A progress report is presented in document GCF/B.12/12 titled “Review of the initial proposal approval process (Progress report)”.

## 2.4 Readiness and preparatory support<sup>2</sup>

17. To date, the Secretariat has received 139 nominations for NDAs or focal points. It had direct contact with over 100 countries through regional workshops, received readiness requests from 101 countries and full readiness proposals from 60 countries, and approved readiness support for 45 countries, totalling USD 11.2 million. Thirty of the 45 countries are classified as the least developed countries, small island developing States and/or African States.

18. The Readiness and Preparatory Support Programme comprises four activity areas: activity area 1 focuses on the institutional capacity of NDAs and focal points; activity area 2 on their strategic frameworks for engagement with the GCF; activity area 3 on supporting regional, national and subnational entities nominated by NDAs/focal points to become accredited by the GCF; and activity area 4 and the PPF provides support in order to develop GCF country programming plans and to prepare GCF projects.<sup>3</sup>

19. As regards activity areas 1 and 2, the Secretariat signed 13 readiness grant agreements with governments and as relevant, their technical delivery partners (local or regional). For seven countries out of these 13, an inception report was approved by the Secretariat, and funds were disbursed to four countries (the Cook Islands, Ethiopia, Mali and Rwanda). Regarding activity area 3, the Secretariat is currently providing in-kind support to 51 entities (nominated by the NDAs/focal points of 36 countries), and, of these 51 is supporting an in-depth assessment of the institutional, fiduciary, environmental, social and gender capacity of 15. This exercise has resulted in detailed action plans for four entities in three countries (Brazil, Columbia and Honduras).

20. As regards activity area 4, two countries – Senegal and Vanuatu – have developed proposals in partnership with the International Finance Corporation and the secretariat of the Pacific Regional Environment Programme, respectively, and are at the approval stage.

21. Regarding the PPF, the Secretariat has prepared guidance and tools for direct access entities and countries interested in conducting project-related studies and/or in developing funding proposals. One PPF proposal for a project in Rwanda was submitted by the Ministry of Natural Resources of Rwanda.

22. The Secretariat also supports knowledge-sharing and learning. Over the past year, it has organized five regional workshops in Africa and the Middle East, Asia, the Caribbean, Central America and the Pacific, and a training event for direct access entities on environmental and social safeguards, and gender. The team has also organized the visits of the NDAs/focal points of Antigua and Barbuda, Fiji, Pakistan and Viet Nam to GCF headquarters, which received positive feedback. In addition, it is developing country pages on the GCF website to host information on the NDAs/focal points, their GCF programming priorities, as well as relevant documents. It is

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<sup>2</sup> This section reports on cumulative results since inception.

<sup>3</sup> Decisions B.08/10, B.08/11 and B.11/04.

working on providing all information materials, guidance documents and templates in French and Spanish.

22. Finally, following the request of the Board (decision B.10/04, para. (b)), the Secretariat has, under the guidance of the Accreditation Committee and in consultation with the TAP and civil society organizations, prepared a call for proposals for enhancing direct access to the GCF, and has reached out to direct access entities to explain how enhancing direct access would operate. It is now working on the procedures to receive and review proposals before formally launching the call.

## 2.5 Accreditation

23. Since B.11, the Secretariat continues to operationalize the accreditation framework, including support to applicants and direct access entities that have been accredited (post-accreditation support), where possible.

24. As at 31 January 2016, the Secretariat has issued [Online Accreditation System](#) accounts to 151 entities and reviewed 91 applications under stage I (including those of the 20 entities accredited to date). The Secretariat proceeded to move 11 applicants (including four national direct access, two regional direct access, one private sector and four international access entities) to stage II. Of these 11 entities, the Accreditation Panel is recommending four entities (one national direct access and three international access entities) for the consideration of the Board at B.12 (document GCF/B.12/07 titled “Consideration of accreditation proposals”).

25. The Secretariat continues to provide support to direct access entities. For instance, 13 direct access entities across different geographical areas are benefiting from institutional gap assessments and have generated readiness action plans, including specific capacity-building measures, in preparation for their accreditation to the GCF, in accordance with decision B.09/07, paragraph (g), and decision B.10/06, paragraph (h).

26. In terms of post-accreditation support, in January 2016, the Secretariat surveyed the direct access AEs in order to better understand their expectations. Accreditation has helped the direct access AEs to access climate finance from the GCF, and in some cases, from national and multilateral sources. Many direct access AEs are keen to further develop their capacities, for example, to upgrade their accreditation type. Further information on the feedback of the direct access AE is detailed in document GCF/B.12/07.

## 2.6 Institutional and administrative support

27. *Financial management.* The finance team closed the books of account for the year ended 31 December 2015, and ensured that expenditures for the year did not exceed the approved budget of USD 19.3 million, with unaudited expenditures standing at 99 per cent of the approved budget. The 2015 financial statements of the GCF are currently being prepared in accordance with the International Financial Reporting Standards. The external auditors, Grant Thornton, will begin the external audit of the financial statements of the GCF in April 2016. In addition, an interim internal auditor was hired in December 2015, and together with the firm Daeyoung Accounting Corporation, conducted an internal audit of the division of support services (January–February 2016), to be followed by other divisions. The finance team also contributed to the fiduciary assessment of funding proposals; the negotiation of the AMAs; and provided inputs for the development of the term sheets and funding activity agreements of approved projects and programmes. Finally, it participated in the readiness working group, which assesses readiness proposals.

28. *Human resources.* In the area of staffing and outreach, the human resources team continues to focus on broadening the recruitment channels of the GCF, considering gender and geographical balance. Current vacant positions are advertised on numerous websites, academic institutions and alumni sites in order to reach out to candidates from as many parts of the world as possible. A new Performance Management and Development System will be launched in March 2016. This is a key management tool which will help staff to develop and maintain the highest levels of performance. It also supports professional development and learning (through a professional development plan) which keeps skills up-to-date, and is critical to retain staff. The human resources team has also identified a staff retirement plan provider which benefits from long-term stability, investment protection and solid administrative and information support. Finally, in December 2015, the Secretariat outsourced an external firm to recruit three key positions: Risk Manager, Internal Auditor and Fiduciary Compliance Specialist.

29. *Information technologies.* The Information, Communications and Technology (ICT) team has developed a web-based tool for handling the submissions of funding proposals from many entities – the tool was approved internally in January 2016. In collaboration with the Country Programming Division, it has also launched an online tool for handling readiness requests to ensure efficient and transparent processing of readiness applications, while containing costs. In addition, the ICT team organized an international market consultation for outsourcing key priority ICT packages, including for internal document management, records, correspondence management, publishing tools and processes, and learning management systems. Finally, the team conducted market screening on commercial-off-the-shelf products that could meet the finance, risk and portfolio management needs of the GCF.

## 2.7 Resource mobilization

30. Since B.11, five countries –Canada, France, Portugal, Spain and Switzerland—, which were reported as unsigned at B.11, have signed their contribution agreements. Since B.11 and during the Conference of the Parties to the United Nations Framework Convention on Climate Change at its twenty-first session (COP 21), new pledges from 10 countries and subnational governments were announced. These are: Bulgaria, Cyprus, Iceland, Ireland, Luxembourg, Flanders Region (Belgium), Lithuania, City of Paris (France), Walloon Region (Belgium), and Viet Nam. From these new contributors, the GCF has already signed contribution agreements with Bulgaria, Iceland, Flanders Region and Walloon Region, and it is negotiating with the remaining ones. This brings the total of signed countries/regions/cities, since the High-level Pledging Conference held in Germany in 2014, to 36 and the total signed contribution amount to approximately USD 6.85 billion equivalent.

## 2.8 Legal support

31. *Institutional matters.* The legal team has continued its support to the Board, committees and panels, the Executive Director, the Secretary to the Board, and internal divisions on institutional issues, including Board selections, appointments to panels and committees, quorum, mandates and legal representation of the GCF. The legal team also supported the Ethics and Audit Committee in the preparation of the information disclosure policy. Regarding contracting, the team has reviewed all contracts with third parties. It is currently preparing standard terms and conditions for contracts. It has also maintained regular contact with the Republic of Korea ministries of strategy, finance and foreign affairs regarding the implementation of the GCF Headquarters Agreement. As regards the trademark, logo and domain name of the GCF, the team has started work on the necessary registrations. The inappropriate use by a third party of the trade name of the GCF was addressed and may need

follow-up. Finally, the legal team served as the Secretary to the Ethics and Audit Committee, the Appointment Committee, and the Executive Director Performance Review Committee, and it has undertaken legal reviews of all Board documents on their compatibility with the Governing Instrument for the GCF, previous Board decisions and administrative instructions.

32. *Operational matters.* The legal team continued its role in the legal review of concept notes and funding proposals – it conducted initial second-level due diligence of about 20 funding proposals. As a result, AEs provided more precise explanations of the proposed funding and of the legal arrangements for their project/programme. In parallel, the legal team has conducted the legal due diligence of counter parties and structures, and supported the readiness team in the assessment of grant requests and agreements, by reviewing 13 readiness grant agreements. With regard to projects/programmes already approved, the legal team has contributed to following up with the AEs to assess progress on their compliance with the conditions set by the Board.

33. *Privileges and immunities.* The Office of the General Counsel has further advanced the negotiations on privileges and immunities through bilateral agreements with country Parties to the United Nations Framework Convention on Climate Change – it held meetings with 50 countries and is currently following up with a view of concluding negotiations in 2016 with as many countries as possible.

34. *Accreditation master agreements.* The legal team has continued to interact with AEs and the Co-Chairs on the AMA template, emphasizing key policy issues and the need for Board endorsement of a template.

## 2.9 Communications and outreach

35. Key achievements of the communications team are outlined below, notably those linked to COP 21 in Paris. The approval by the Board of the first round of projects of the GCF in November 2015 was closely watched by the climate change and larger development communities, as well as the media. New partners, media outlets and the general public have approached the GCF with requests on GCF projects and activities.

### 2.9.1 High-level advocacy initiatives

36. *GCF presence at COP 21.* A GCF delegation participated in COP 21, and used the opportunity to raise awareness of the GCF and engage with representatives from beneficiary and contributing countries, civil society, and private sector stakeholders. The Secretariat organized an information stand within the exhibitors' hall of the COP venue to enable stakeholders to interact directly with staff. More than 300 people interacted with Secretariat staff during the conference, approximately 4,000 in total during the period of the COP (i.e. 10 per cent of the conference participants).

37. *COP 21 side events.* Two side events were hosted by the GCF during COP 21. The [first event](#) focused on giving guidance on how to put together a GCF project and featured contributions from several developing countries that had projects approved by the GCF. The [second event](#) focused on the future of the GCF and how it could reach its high ambitions. The panel brought together the former Co-Chairs of the Board, Mr. Henrik Harboe and Mr. Gabriel Quijandria [OSB to respond Acosta?], with the new Co-Chairs of the GCF, Mr. Ewen McDonald and Mr. Zaheer Fakir, and the Executive Director of the Secretariat, Ms. H la Cheikhrouhou. The discussion was moderated by the non-governmental organization OXFAM America. Both events were well attended, with 500 and 350 participants, respectively. In addition, the GCF hosted "[GCF Talk at 6](#)" – an informal briefing session to share knowledge on

how the GCF works. GCF staff ran sessions on a wide range of issues, such as accreditation, country programming and the role of NDAs.

38. *GCF Passport*. Finally, the Secretariat produced an innovative awareness-raising initiative, "[GCF Passport](#)". The small booklet was designed to enable holders to demonstrate their shared concern for the planet, as well as their affiliation with the GCF. The initiative proved popular, with a total of 221 GCF Passports issued to conference participants.

39. *Diplomatic community in Korea*. Diplomatic missions are primary communicators of GCF information. The GCF has been able to benefit from the embassy network in the capital of its host country to establish a light footing within its local diplomatic community. Subsequent to the first approval of projects by the Board, the Secretariat continued to engage with Republic of Korea-based ambassadors and senior embassy officials to raise awareness of the activities of the GCF, as well as to facilitate communications with capitals in the run-up to COP 21. On 20 November 2015, the Executive Director and senior management of the Secretariat engaged with over 80 ambassadors and diplomats at an information meeting in Seoul, Republic of Korea, hosted by the French Ambassador to the Republic of Korea, Mr. Fabien Penone. The meeting provided an opportunity to explain the role of the GCF, and how it can support countries' climate change plans by investing in mitigation and adaptation projects.

## 2.9.2 Communication products

40. *GCF Elements 02: investing for the climate*. The communications team published *Elements 02* in December 2015, as part of its information series targeted at NDAs and AEs. *Elements 02* provides information on the GCF investment framework, its mitigation and adaptation results areas, and its cross-cutting investment opportunities. The publication was widely distributed at COP 21. The content of *Elements 02* is closely based on analysis discussed by the Board.

41. *GCF website*. The Secretariat launched its new [website](#) at B.11. The new website captures the innovative approach of the GCF to support climate action, and creates an intuitive and engaging user experience. It is optimized for smart phones and tablets, and is the first entry point for numerous partners and stakeholders, including developing countries and contributor countries. As such, it was developed in a manner that responds to their diverse needs. The website includes a dedicated portal that enables NDAs to access GCF submit readiness grants [online](#). Further redesign will encompass all areas of the work of the GCF, while opening up its narrative and content to new audiences and stakeholders. The Secretariat has received feedback from NDAs and Board members which will be used in this effort. Recent user data for the GCF website are provided in table 4.

**Table 4: User data for the GCF website December 2015–February 2016**

<b>Total visitors</b>	<b>91,657</b>	<b>100%</b>
Returning visitors	47,552	52%
New visitors	44,105	48%

\* On average, a person stays for a total of 3.5 minutes. This translates to a total of 232,616 page views in three months.

### **Visitors by location**

Seoul, Republic of Korea	9,101	10%
Washington DC, United States of America	2,940	3%
London, United Kingdom	2,785	3%
Paris, France	2,276	2%
New York, United States of America	1,460	2%

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New Delhi, India	954	1%
Beijing, China	856	1%

\* GCF website users have accessed from a total of 4,415 cities.

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42. *Social media.* The GCF carries out communications and outreach through two social media accounts: Twitter (@GCF\_News) and Instagram. Since November 2014, it has issued 200 tweets and has now more than 4,460 followers. The [Instagram account](#) showcases individuals who seek affiliation with the GCF, and generates further social media interest in the GCF.

## 2.10 Support to the Board

### 2.10.1 Meetings of the Board

43. Following on from decision B.11/03, paragraph (i), an informal Board dialogue was held in Cape Town, South Africa, on 2–4 February 2016. The Secretariat supported the arrangements for logistics, provided support to Board groups and committees, and provided substantive support to the meeting. Upon conclusion of the informal Board dialogue and publication of the provisional agenda for B.12 on 12 February 2016, the Secretariat engaged in the preparation of the corresponding documentation for items on the provisional agenda. The Secretariat has also prepared logistically for B.12 which is to be held at GCF Headquarters in the Republic of Korea from 8 to 10 March 2016, with an informal session of the Board on 7 March, and constituency and Board committee meetings planned for 6 March 2016.

### 2.10.2 Support to the process of developing the GCF Strategic Plan

44. The Secretariat was tasked under decision B.11/03 to facilitate the work of the ad hoc group for the strategic plan in developing, overseeing and guiding the work of the Secretariat's preparation of the Strategic Plan. The ad hoc group held five virtual meetings on 13, 20 and 29 January 2016, and 15 and 22 February 2016, and two in-person meetings on 1 and 5 February 2016 at the margins of the informal Board dialogue. During these meetings the ad hoc group prepared the "Report on the development of the Draft Strategic Plan for the GCF, Submission from the ad-hoc group of Board/Alternate Members" that was based on submissions received in response to decision B.11/03, paragraph (g), prior Board discussions and the outcomes of the informal Board dialogue. The Secretariat provided support for this work, including an analysis of submissions and prior Board discussions on the Strategic Plan for the report prepared by the ad hoc group, and logistical support that included organizing, preparing agendas for and writing reports on the meetings of the ad hoc group.

### 2.10.3 Support to Board committees and panels

45. The Secretariat has provided support to Board committees and panels in the implementation of decisions and in the production of deliverables, including those to be presented for consideration by the Board at B.12. The Secretariat has assisted seven other panels/committees: the Accreditation Committee; the Accreditation Panel; the Appointment Committee; the Ethics and Audit Committee; the Investment Committee; the Risk Management Committee; and the independent Technical Advisory Panel. Detailed updates are provided in the document GCF/B.12/02 titled "Reports from committees, panels and groups of the Board of the Green Climate Fund".

#### 2.10.4 **Accreditation of new GCF observer organizations**

46. In line with the guidelines adopted in decision B.01-13/03, the Secretariat launched the ninth round of accreditation of observer organizations from 28 December 2015 to 15 January 2016. Applications from 12 entities were recommended to the Board for accreditation through a decision proposed to be taken between meetings. The related Board decision will prescribe on 4 March 2016, should no objections be raised to it. Upon approval of the applications, the Secretariat will update the list of accredited observer organizations on its website.

## Annex I: Process updating the current funding proposal template

1. In decision B.11/11, paragraph (o), the Board requested the Secretariat “in consultation with the TAP, national designated authorities, focal points and accredited entities to simplify the funding proposal template and concept note template in an expeditious manner”.
2. Immediately following the eleventh meeting of the Board in November 2015, the Secretariat launched the simplification process, by starting a call for inputs to all accredited (AEs), national designated authorities (NDAs) and the independent Technical Advisory Panel (TAP). Inputs were received from five AEs, one NDA and the TAP, highlighting the need to minimize duplication, provide additional guidance on specific sections, and clarify the level of detail of the information to be provided.
3. The simplification process was conducted in the following three phases:
  - (a) Phase I: the consolidation of inputs and comments received from AEs, NDAs and the TAP. Inputs and comments were analysed and addressed, to the extent possible, in the revised template. Consultations were also held internally across divisions;
  - (b) Phase II: structural changes were made to reduce duplication and shorten the template, while ensuring logical flow of the sections. This phase also included the reorganization of different sections and merging of subsections where needed; and
  - (c) Phase III: questions and guidelines in each subsection were edited, clarified and fine-tuned.

**Table 5. External consultation on funding proposal simplification**

Entity	Number of solicited entities	Number of inputs received	Consultation time	Remarks
NDA	130	1	4 weeks	Feedback was reflected in the revised funding proposal template, to the extent possible Bangladesh NDA: 20 December 2015
AE	20	5	4 weeks	Feedback was reflected in the revised funding proposal template, to the extent possible UNDP: 3 December 2015 KfW Development Bank: 10 December 2015 SPREP: 11 December 2015 ADB: 18 December 2015 AFD: 19 December 2015
TAP	1	1	8 weeks	Feedback was reflected in the revised funding proposal template, to the extent possible. For some comments, further guidance is needed from TAP TAP: 5 February 2016
<b>Total:</b>	<b>151</b>	<b>7</b>	<b>16 weeks</b>	

**Abbreviations:** ADB = Asian Development Bank, AE = accredited entity, AFD = Agence française de développement, NDA = national designated authority, SPREP = Pacific Regional Environment Programme, TAP = independent Technical Advisory Panel, UNDP = United Nations Development Programme.

**Table 6. Internal consultation on funding proposal simplification**

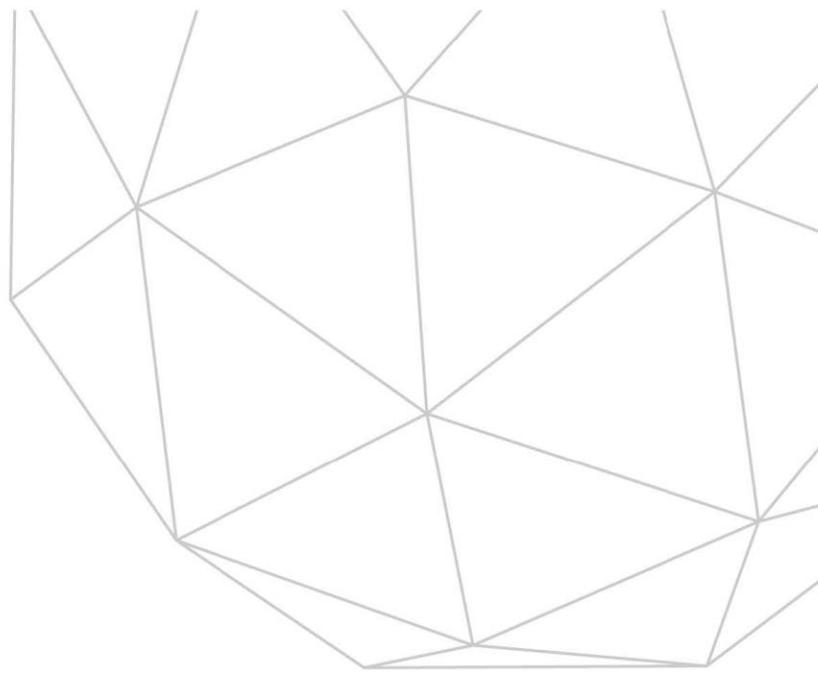
<b>Division present</b>	<b>Number of persons present</b>	<b>Number of inputs received</b>	<b>Consultation time</b>	<b>Remarks</b>
M&A	9	9	2	Feedback was reflected in the revised funding proposal template, to the extent possible
Private sector division	6	6	2	Permanent coordination and discussion on the simplification process of the funding proposal template
Country programming division	6	4	2	
Other division	4	none	2	
<b>Total:</b>	<b>25</b>	<b>19</b>	<b>8</b>	

**Abbreviation:** M&A = mitigation and adaption.

The preliminary draft of the revised funding proposal template is provided as an appendix to this Board document.



GREEN  
CLIMATE  
FUND



## Annex II:

# Funding Proposal [DRAFT]

**The Green Climate Fund (GCF) is seeking high-quality funding proposals.**

Accredited entities are expected to develop their funding proposals, in close consultation with the relevant national designated authority, with due consideration of the GCF's Investment Framework and Results Management Framework. The funding proposals should demonstrate how the proposed projects or programmes will perform against the investment criteria and achieve part or all of the strategic impact results.

Project/Programme title: \_\_\_\_\_

Country (ies)/Region: \_\_\_\_\_

Accredited Entity: \_\_\_\_\_

National Designated Authority: \_\_\_\_\_

Date of first submission: \_\_\_\_\_

Date of final submission: \_\_\_\_\_

Version No.: \_\_\_\_\_

## Contents

Section A	PROJECT / PROGRAMME SUMMARY
Section B	PROJECT / PROGRAMME INFORMATION
Section C	EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA
Section D	COMPLIANCE WITH GCF POLICY/STANDARDS
Section E	RESULTS MONITORING AND REPORTING
Section F	ANNEXES

### *Note to accredited entities on the use of the funding proposal template*

- Accredited entities can either directly incorporate information into this proposal, or provide summary information in the proposal with cross-reference to other project documents such as project appraisal document, feasibility studies, etc.
- The total number of pages for the funding proposal (excluding annexes) **should not exceed 40**.

**Please submit the completed form to:**

[fundingproposal@gcfund.org](mailto:fundingproposal@gcfund.org)

Please use the following name convention for the file name:

"[FP]-[Accredited Entity Short Name]-[Date]"

A.1. Project/programme information			
A.1.1. Project or programme	Select	Project/programme title	
A.1.2. Accredited entity		Access modality	Select
A.1.3. Mitigation/adaptation focus	Select		
A.1.4. Results area	<p><u>Reduced emissions from:</u></p> <p><input type="checkbox"/> Energy access and power generation</p> <p><input type="checkbox"/> Low emission transport</p> <p><input type="checkbox"/> Buildings, cities and industries and appliances</p> <p><input type="checkbox"/> Forestry and land use</p> <p><u>Increased resilience of:</u></p> <p><input type="checkbox"/> Most vulnerable people and communities</p> <p><input type="checkbox"/> Health and well-being, and food and water security</p> <p><input type="checkbox"/> Infrastructure and built environment</p> <p><input type="checkbox"/> Ecosystem and ecosystem services</p>		
A.2. Executive summary			
Provide a brief description of the proposed project/programme supported by GCF funding and the financial sustainability of the proposed project/programme.			
A.2.1. Project/programme target against GCF core indicators	Mitigation	Expected tonnes of carbon dioxide equivalent (t CO <sub>2</sub> eq) to be reduced or avoided (lifetime): <a href="#">Click here to enter text.</a> tCO <sub>2</sub> eq	
	Adaptation	Expected total number of direct and indirect beneficiaries: <a href="#">Click here to enter text.</a>	
A.2.2. Financing information	Funding source	Funding amount (million USD)	Financial instrument
	GCF financing	Enter amount	Options
	Co-financing from AE	Enter amount	Options
	Co-financing 1	Enter amount	Options
	Co-financing 2	Enter amount	Options
	Co-financing 3	Enter amount	Options
	Total project cost	Enter amount	N/A
A.2.3. Co-financing ratio			
A.2.4. ESS category	Select		

### B.1. Baseline and context (max. 2 pages)

Describe the baseline scenario (i.e. emissions baseline, climate vulnerability baseline) that the proposed project/programme aims to address. Also, describe the context, main root causes and barriers (social, technological, financial, ecological, institutional, etc.) that need to be addressed.

### B.2. Project / Programme description

Describe the objective(s) and activities of the proposed project/programme. Provide a theory of change that maps out the logical sequence of the project/programme, from activities to the impacts foreseen.

#### B.2.1. Market overview (if applicable)

Describe the market for the product(s) or services and competitive environment. Provide pricing structure, price controls, subsidies available and government involvement (if any).

#### B.2.2. Exit strategy (max. 1/2 page)

Briefly explain how the project/programme sustainability will be ensured in the long run, after the project/programme is implemented with support from the GCF and other sources.

#### B.2.3. Implementation arrangements

Please describe the governance structure of the project/programme, including but not limited to the organization structure, roles and responsibilities of the project/programme management unit, steering committee, implementing partners and so on. Also, provide a description of the relationship between actors involved in project implementation. Provide diagrams that show how the implementation arrangement is structured.

### B.3. Value added for GCF involvement

Please specify why the GCF involvement is critical for the project/programme, in consideration of other funding alternatives and barriers.

**B.4. Cost breakdown by components**

Please provide a breakdown of cost estimates for GCF financing and total project costs by sub-component in the table below.

Component	Sub-component	GCF funding amount	Total project cost (incl. co-financing)
Component 1	Sub-component 1.1	Enter amount	Enter amount
	Sub-component 1.2	Enter amount	Enter amount
Component 2	Sub-component 2.1	Enter amount	Enter amount
	Sub-component 2.2	Enter amount	Enter amount
Component 3	Sub-component 3.1	Enter amount	Enter amount
	Sub-component 3.2	Enter amount	Enter amount
<b>Total project financing</b>		Enter amount	Enter amount

*\* Please expand the table as needed.*

In the annex, provide the following:

- An integrated financial model that includes a projection covering the period from financial closing through final maturity of the proposed GCF financing with detailed assumptions and rationale; and a sensitivity analysis of critical elements of the project/programme (if applicable)
- A breakdown of cost/budget by expenditure type (project staff and consultants, travel, goods, works, services, etc.) and disbursement schedule in project/programme confirmation (term sheet)
- A breakdown of cost for GCF funding and total project/programme costs by sub-component in local currency, and a currency hedging mechanism (if applicable)

**B.5. Financial structure and key terms**

	Financial Instrument	Amount	Currency	Tenor	Pricing
<b>(a) Total project financing</b>	<b>(a) = (b) + (c)</b>	Enter amount	Options		
<b>(b) GCF financing to recipient</b>	(i) Senior loans	Enter amount	Options	Enter years	Enter %
	(ii) Subordinated loans	Enter amount	Options	Enter years	Enter %
	(iii) Equity	Enter amount	Options		Enter % IRR
	(iv) Guarantees	Enter amount	Options		
	(v) Reimbursable grants*	Enter amount	Options		
	(vi) Grants*	Enter amount	Options		
	<b>Total requested (i+ii+iii+iv+v+vi)</b>		Enter amount	Options	

	Co-financier	Financial instrument	Status of financing	Amount	Pricing	Tenor
(c) Co-financing to recipient	Enter	Options	Enter	Enter amount	Enter %	Enter years
	Enter	Options	Enter	Enter amount	Enter %	Enter years
	Enter	Options	Enter	Enter amount	Enter % IRR	
	Enter	Options	Enter	Enter amount		
	Enter	Options	Enter	Enter amount		
Please specify difference in tenor and price among GCF financing and that of accredited entities and market (If applicable).						
Lead financing institution: Enter name <i>* Please provide a confirmation letter or a letter of commitment in the annex issued by the co-financing institution.</i>						

### B.6. Alignment with accreditation type

Provide a brief justification that the proposed project/programme is in line with the accreditation type the entity is entitled for.

### B.7. Financial terms between GCF and AE (If applicable)

If there is a financial arrangement between the GCF and the AE, which entails a financial instrument and/or financial terms separate from the ones described in section B.2, please specify the proposed instrument and terms between the GCF and the AE. Please provide a justification for the difference in the financial instrument and/or terms between what is provided by the AE to the recipient and what is requested from the GCF to the AE.

### B.8. Fee arrangement (if applicable)

Please specify the fee arrangement between the Fund and the AE, in case it is project/programme specific. *\* Please note that fee arrangement for the proposed project/programme shall be aligned with the GCF interim policy on fees for accredited entities, as specified in GCF Board decision [B.11/10](#).*

In this section, the accredited entity is expected to provide description, assumption and methodology of the expected performance of the proposed project/programme against each of the Fund's six investment criteria. Activity-specific sub-criteria and indicative assessment factors, which can be found in the Fund's [Investment Framework](#), should be addressed where relevant and applicable.

<b>C.1. Impact potential</b>			
Potential of the project/programme to contribute to the achievement of the Fund's objectives and result areas			
Project /programme target against the GCF core indicators	Expected tonnes of carbon dioxide equivalent (t CO <sub>2</sub> eq) to be reduced or avoided (Mitigation only)	Annual	Click here to enter text. tCO <sub>2</sub> eq
		Lifetime	Click here to enter text. tCO <sub>2</sub> eq
	Expected total number of direct and indirect beneficiaries, disaggregated by gender (reduced vulnerability or increased resilience) (Adaptation only)	Direct	Click here to enter text. Click here to enter text.% of female
		Indirect	Click here to enter text. Click here to enter text.% of female
		<i>*For both, Specify the % of female against the total number.</i>	
	Number of beneficiaries relative to total population, disaggregated by gender (Adaptation only)	Direct	Click here to enter text. Click here to enter text.% of female
		Indirect	Click here to enter text. Click here to enter text.% of female
		<i>*For both, Specify the % of female against the total number.</i>	
Project /programme target against other relevant indicators	Provide other relevant indicators in the investment framework to demonstrate mitigation and adaptation potential. <i>* For indicators other than climate impact potential (e.g. sustainable development potential), please provide them in the relevant sub-sections throughout section C.</i>		
Specify the mitigation and/or adaptation impact, taking into account the relevant and applicable sub-criteria and assessment factors in the Fund's <a href="#">investment framework</a> .			
Describe in detail the methodology used for measuring the impact indicators.			
Describe how the project/programme's impact indicator values compare to the appropriate benchmarks (i.e. the indicator values for a similar project/programme in a comparable context).			
<b>C.2. Paradigm shift potential</b>			
Degree to which the proposed activity can catalyze impact beyond a one-off project/programme investment			
Describe the proposed project/programme's potential for: <ul style="list-style-type: none"> <li>• Scaling up and replication</li> <li>• Knowledge and learning</li> <li>• Contribution to the creation of an enabling environment</li> <li>• Contribution to the regulatory framework and policies</li> </ul>			

### C.3. Sustainable development potential

#### Wider benefits and priorities

Provide the estimates of economic, social and environmental co-benefits. Where possible, quantify targeted co-benefits.

Describe how the project/programme will address the needs of women and men in order to correct prevailing inequalities in climate change vulnerability and risks. In section F (Annexes), attach a project/programme-level gender action plan that clearly outlines key activities, gender-performance indicators, sex-disaggregated targets, person(s) responsible, and a timeline for each activity.

### C.4. Needs of the recipient

#### Vulnerability and financing needs of the beneficiary country and population

Describe the following:

- Vulnerability of the country and groups (adaptation only)
- Financial, economic, social and institutional needs (including development level of the country and need for strengthening institutions and implementation capacity)

### C.5. Country ownership

#### Beneficiary country (ies) ownership of, and capacity to implement, a funded project or programme

Describe the following:

- How the project/programme contributes to country's identified priorities for low-emission and climate-resilient development
- Experience and track record of the executing entities with respect to the activities that they are expected to undertake in the proposed project/programme
- Steps taken to ensure country ownership on the funding proposal
- The processes of engaging with NDAs in obtaining the no-objection letter(s) for the proposed project/programme.

### C.6. Efficiency and Effectiveness

#### Economic and, if appropriate, financial soundness of the project/programme

	Estimated cost per t CO <sub>2</sub> eq, defined as total investment cost / expected lifetime emission reductions (mitigation only)	
GCF core indicators	(a) Total project financing	US\$ _____
	(b) Requested GCF amount	US\$ _____
	(c) Expected lifetime emission reductions overtime	_____ tCO <sub>2</sub> eq
	<b>(d) Estimated cost per tCO<sub>2</sub>eq (d = a / c)</b>	US\$ _____ / tCO <sub>2</sub> eq
	<b>(e) Estimated GCF cost per tCO<sub>2</sub>eq removed (e = b / c)</b>	US\$ _____ / tCO <sub>2</sub> eq

	<p>Please describe how the indicator values compare to the appropriate benchmarks established in a comparable context.</p>
	<p>Expected volume of finance to be leveraged by the proposed project/programme and as a result of the Fund's financing, disaggregated by public and private sources</p>
	<p>(f) Total finance leveraged (Co-finance) US\$_____</p> <p>(g) Public source finance leveraged (Co-finance) US\$_____</p> <p>(h) Private source finance leveraged (Co-finance) US\$_____</p> <p><b>(i) Total Leverage ratio (i = b / f)</b> _____</p> <p>(j) Public source leverage ratio (j = b / g) _____</p> <p>(k) Private source leverage ratio (k = b / h) _____</p> <p>Please describe how the indicator values compare to the appropriate benchmarks established in a comparable context.</p>
<p>Other relevant indicators</p>	<p>E.g. estimated cost per co-benefit generated as a result of the project/programme</p>
	<p>Please provide the narrative and assumptions for the detailed economic and financial analysis. Based on the analysis, specify the expected economic and financial rate of return with and without the Fund's support.</p> <p>Based on the above analysis, provide economic and financial justification (both qualitative and quantitative) for the concessionality that GCF is expected to provide, particularly in the case of grants, with a reference to the financial structure proposed in section B.2.</p>

*\* The information can be drawn from the applicable project/programme appraisal document in the annexes.*

### D.1. Environmental and social assessment

Please indicate the environmental and social risk category: **Select**.

Describe the main outcome of the environment and social impact assessment (ESIA) or environment and social management plan (ESMP) or environment and social management system (ESMS) as appropriate, and how the project/programme will avoid or mitigate negative impacts at each stage (e.g. preparation, implementation and operation), in accordance with the Fund's Environmental and Social Safeguard (ESS) standard. Attach ESIA or ESMP or ESMF, depending on the E&S category, as an annex.

### D.2. Risk factors and mitigation measures

Describe below any risks that might prevent the project/programme from achieving its objectives. This may include external risks that may have impact on the project/programme (political, social, environmental risks, etc.) and/or internal risks that are part of the project/programme (technical, methodological, financial, etc.). Provide mitigation measures for each of the identified risks.

#### Selected Risk Factor 1

Description	Risk category	Level of impact	Probability of risk occurring
	Select	Select	Select

#### Mitigation Measure(s)

Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?

#### Selected Risk Factor 2

Description	Risk category	Level of impact	Probability of risk occurring
	Select	Select	Select

#### Mitigation Measure(s)

Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?

*\* When needed, please expand this sub-section to address all potential and relevant risks.*

### D.3. Financial management and procurement

Describe the project/programme's financial management and procurement, including financial accounting, disbursement methods and auditing. Provide a diagram that shows the flow of funds.

In this section, briefly summarize the proposed project’s logic framework in accordance with the GCF’s [Performance Measurement Framework](#) under the [Results Management Framework](#) to which the project/programme contributes. Provide a detailed logic framework in section F (Annexes) as part of the feasibility study.

### E.1. Logic framework summary

Present a summary of the project/programme’s logic framework in a table format (Below is an example).

Component	Sub-component	Output	Project outcome related to GCF-level outcomes
Component 1	Sub-component 1.1		
	Sub-component 1.2		
Component 2	Sub-component 2.1		
	Sub-component 2.2		
Component 3	Sub-component 3.1		
	Sub-component 3.2		

### E.2. Arrangements for monitoring, reporting and evaluation

Besides the arrangements (e.g. annual performance reports) laid out in AMA, please provide project/programme specific institutional setting and implementation arrangements for monitoring and reporting and evaluation. Please indicate how the interim/mid-term and final evaluations will be organized, including the timing.

Please provide methodologies for monitoring and reporting of the key outcomes of the project/programme.

#### E.2.1 Reporting/evaluations calendar

Type	Expected submission period (year/quarter)
Select.	
Select.	
Select.	
Select.	

### F.1 Mandatory annexes

- Annex 1 NDA No-objection Letter
- Annex 2 Feasibility Study (including logic framework)
- Annex 3 Project monitoring plan
- Annex 4 Depending on the E&S category (A, B or C)
  - Environmental and Social Impact Assessment (ESIA) or
  - Environmental and Social Management Plan (ESMP) or
  - Environmental and Social Management System (ESMF)
- Annex 5 Gender assessment and action plan
- Annex 6 Economic model (excel file)
- Annex 7 Timetable of project/programme implementation
- Annex 8 Integrated financial model that provides sensitivity analysis of critical elements (excel file) *(for public sector proposals as deemed necessary)*
- Annex 9 Co-financing commitment letter
- Annex 10 Confirmation/Term Sheet (including cost/budget breakdown, disbursement schedule, etc.)
- Annex 11 Evidence of internal approval

### F.2. Optional annexes

- Annex 12 Appraisal report or due diligence Report
- Annex 13 Evaluation report
- Annex 14 Map
- Annex 15 Annual operational plan for the first year (including operational and other procedural manuals, procurement plan, etc.)
- Annex 16 Due-diligence requirements
- Annex 17 Legal requirements (government permit, the issuing authority, date of issue, etc.)

*\* Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents.*