



**GREEN
CLIMATE
FUND**

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Report on the activities of the Secretariat

Summary

This report provides an update on the progress made with regards to the activities of the Secretariat. As this is the final report covering the 2017 calendar year, the report provides a summary of progress against the overarching goals and priorities identified in the Secretariat's 2017 work programme, noting that many of these goals carry over and are expanded in the Secretariat's 2018 work programme. The report covers the period from adoption of the Secretariat's 2017 work programme at the sixteenth meeting of the Board up to 31 December 2017, with a focus on developments since the last reporting period.

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I. Overview of progress in 2017

1. This report on the activities of the Secretariat provides an update on progress made by the Secretariat in implementing its work programme for 2017, approved by the Board at its sixteenth meeting (B.16).¹ It provides specific updates on progress made against the key focus areas of the work programme for the reporting period of 9 September 2017 to 31 December 2017. In reporting on overall progress in 2017, this report also serves to set a baseline for the implementation of the Secretariat's 2018 work programme, approved by the Board at its eighteenth meeting (B.18)².

2. The work programme of the Secretariat identified five overarching goals to guide activities for 2017, targeting the acceleration of implementation of projects and programmes, strengthening upstream engagement with countries and entities, consolidating the internal structure of the Secretariat, and support to the Board. The five goals were to:

- (a) Finalize as many accreditation master agreements (AMAs) and funded activity agreements (FAAs) as possible and maximize related disbursements in order to jump start implementation of approved projects and advance work on the ground;
- (b) Work on a proactive and strategic approach to country programming that would result in an increased pipeline of high-quality, high-impact, country-driven proposals, including through results area guidance and issuance of strategically developed requests for proposals (RFPs);
- (c) Further strengthen the accredited entity (AE) work programme process;
- (d) Build and deploy a Secretariat staff of sufficient size, talent and global reach;
- (e) Support the Board in implementing any decisions related to arrangements for the initiation of the replenishment process and the selection of a Permanent Trustee.

3. Further information on the five focus areas, and the divisional priorities set under those focus areas in the 2017 work programme, are provided in the relevant sections below as well as the addenda to this document. The Secretariat has also undertaken a series of outreach activities and missions throughout 2017 to support these goals, the outcomes of which are presented in Annex 2 to this document, "2017 Missions – Outcomes and lessons learned"

Accelerating implementation of projects and programmes

4. The table below summarises key indicators showcasing operational progress in 2017:

Table 1: Summary indicators for 2017 and reporting period (9 September - 31 December 2017)

Funding proposals	B.16³		B.17		B.18	
Number of funding proposals approved (cumulative total)	Public: 32	Total: 43	Public:32	Total: 43	Public: 40	Total: 53 ⁴
	Private: 11		Private:11		Private:13	
Amount of funding approved (cumulative USD total)	Public:1.05 billion	Total: 2.24 billion	Public: 1.05 billion	Total:	Public: 1.32 billion	Total: 2.64 billion ⁵

¹ Decision B.16/01.

² Decision B.18/13.

³ The numbers include funding proposals approved at that respective Board meeting

⁴ The approval of FP029 has lapsed as of 23 October 2017.

⁵ The total funding amount approved has been changed from USD 2.65 billion to USD 2.64 billion mainly due to (1) a different exchange rate applied (EUR 1 = USD 1.19474313 USD from the United Nations Operational Rates of Exchange, effective at 31 December 2017), (2) the approval of FP029 (DBSA project) has lapsed as of 23 October 2017, and (3) the GCF funding amount for FP035 SPREP Vanuatu has been decreased by USD 4.85 million in FAA.



		Private: 1.19 billion		Private: 1.19 billion	2.24 billion	Private: 1.32 billion	
Core indicators		B.16 ⁶		B.17	B.18		End 2017
AMAs signed		19		25	31		41
FAAs signed		3		19	19		26 ⁷
Projects under implementation	Number of projects receiving disbursements	1		3	13		18
	Total disbursements ⁸ (USD)	5.49 million		7.59 million	60.34 million		155.04 million
Readiness	Proposals received	172		165 ⁹	215		236
	Total requested amount (USD)	72.42 million		91.32 million	153.93 million		194.64 million
	Number of proposals approved	83		102	123		137
	Total amount approved (USD)	24.25 million		30.03 million	39.48 million		53.05 million
	Total amount disbursed (USD)	4.55 million		6.03 million	10.30 million		12.30 million
Project preparation facility requests	Requests received	14		24	39		42
	Total requested amount (USD)	10.54 million		18.82 million	27.43 million		30.69 million
	Number of requests approved	1		2	3		3
	Total amount approved (USD)	1.5 million		2.04 million	2.75 million		2.75 million
	Total amount disbursed (USD)	0.5 million		0.5 million	1.2 million		1.65 million

5. The above demonstrates the Secretariat's focus on accelerating implementation throughout 2017, including a particular drive to conclude as many AMAs and FAAs as possible in the leadup to the 23rd Conference of Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC). As at the end of 2017, 18 of the 53¹⁰ GCF projects had received disbursements, advancing work on the ground to lower emissions and enhance

⁶ The numbers presented are those reported on for that respective Board meeting.

⁷ One funding proposal has two FAAs, so the 26 signed FAAs are linked to 25 projects.

⁸ The amounts include accredited entity fees.

⁹ Number decreased due to proposals lapsing or becoming inactive.

¹⁰ The project has lapsed as of 23 October 2017

climate-resilient development pathways. Accelerating implementation will continue to be a priority focus in 2018.

Strategic approach to country and entity programming to increase pipeline quality

6. Throughout 2017 the Secretariat supported countries undergoing national programming exercises by deploying Secretariat expertise, attending in-country and regional events, and providing ongoing support to the national designated authorities (NDAs) and focal points to assist them in the definition of priority actions and projects for GCF. Accelerating implementation of approvals and disbursements through the readiness program was another focus area.

7. The Secretariat worked with entities through targeted upstream engagement, site visits, attending project launches, provision of support to direct access entities (DAEs), including organizing a DAE workshop in Songdo in May 2017, and providing continuous support and clarity on issues such as project and pipeline development, project sequencing and the proposal approval process. Further information can be found in document GCF/B.19/XX titled “Update on Country and Entity Programming Developments” and in annex II to this document “2017 Missions – outcomes and lessons learned”.

8. Additionally, the Secretariat helped develop and operationalize a series of pilot initiatives and RFPs to strategically deploy GCF resources. These included the approval and operationalization of a simplified approval process (SAP), operationalization of the Project Preparation Facility, shortlisting of the top 30 from 350 concept notes submitted under the mobilizing funds at scale (MFS) RFP, and working toward Board approval of the USD 500 million REDD-plus results-based payment RFP.

9. As a top priority for 2018, the Secretariat will continue focused work with a target group of countries and entities on country and entity work programme development, building on the Readiness Programme review and establishment of core entity relationship management teams.

Strengthening Secretariat capacity

10. Over the course of 2017, the Secretariat expanded its staff capacity and took additional measures to strengthen institutional capacities and meet operational demands. This included provision of staff training and initiatives to improve internal cross-divisional coordination. The Secretariat recruited 30 staff over the period 8 September to 31 December, including four senior managers/directors, filling 160 posts in total by year end.

11. Following Board approval of the new Secretariat structure at B.17, the key posts of Deputy Executive Director and Director of External Affairs were operationalized, and personnel appointed to act ad interim in these key positions. The Secretariat also worked throughout 2017 on the consolidation of the Portfolio Management Unit (PMU), to provide monitoring and performance reporting on the implementation of projects and programmes, and in setting up the Division of External Affairs to lead on strategic outreach and communications activities.

Support for the Board

12. The Secretariat supported the Ad Hoc Trustee Selection Committee on finalizing the terms of reference and the competitive selection process for a permanent trustee, and also helped develop preparatory material for the Board’s consideration of matters relating to replenishment. Further Board deliberation on these matters were deferred to 2018.

13. More broadly, operational progress has been complemented and driven by continuous work on policy issues and Board-mandated tasks, including:

- (a) GCF indigenous, environmental and social management system (ESMS) and gender policies; risk management framework; anti-money laundering and countering the financing of terrorism policy; mapping of eligibility and selection criteria; options to enhance peer-to-peer collaboration between NDAs and DAEs;
- (b) Work related to GCF bodies such as the development of terms of reference for the review of committees, panels and groups; review of the guidelines on observer participation; the Secretariat has also worked with the Investment Committee on the terms of reference for the performance review of independent Technical Advisory Panel (independent TAP) and provided admin support through the external review of the independent TAP.
- (c) Policies and reviews related to the project cycle, such as: options for the development of a two-stage approval process; options for further guidance on concessionality; co-financing policy; indicative minimum benchmarks; annual review of financial terms and conditions of GCF financial instruments; revised policy on fees for AEs; development and application of incremental cost calculation methodology and/or alternative methodologies; findings of the additional analysis of potential investment priority areas to identify specific result areas where targeted GCF investment would have the most impact; and interim restructuring policy;
- (d) Revised administrative guidelines on human resources and procurement; and
- (e) As required or appropriate, provided inputs for the development of integrity, whistle blower and witness protection policies and for the development of prohibited practices policy.

Progress in other areas

14. Beyond the overarching goals and focus areas identified in the Secretariat's 2017 work programme, the Secretariat has also led the on-going tasks of:
- (a) Advancing engagement on privileges and immunities as a matter of priority, with a total 123 countries receiving draft agreements and 16 bilateral privileges and immunities agreements signed so far;
 - (b) Maintaining on-going engagement with the UNFCCC, its thematic bodies, and other climate finance delivery channels, including by submitting the GCF sixth report to the Conference of the Parties, participating in a virtual retreat between the UNFCCC and GCF Secretariats as well as in a series of UNFCCC-related events;
 - (c) Advancing private sector outreach efforts, assisting Private Sector Advisory Group (PSAG) with recommendations on the development of a private sector outreach plan and recommendations on the development of modalities to support activities enabling private sector involvement in least developed countries (LDCs) and small island developing States (SIDS); and
 - (d) Strengthening accessibility improving internal workflow, through: developing and piloting online NDA/AE portals, developing a prototype online knowledge-sharing platform (DCAP), developing the GCF business continuity plan including operationalization of the Emergency Evacuation Plan, carrying out internal audits of Country Programming Division (CPD) of the GCF and the Division of Mitigation and Adaptation (DMA) and strengthening communications and outreach.

Preparing for implementation of the 2018 work programme

15. Building on the 2017 outcomes and moving into implementation of the 2018 work programme, the Secretariat has initiated a series of activities to set the foundation for further

progress in 2018. Among these is an increasing focus on enhancing quality both through readiness and funding proposals, facilitated by the initial review of the readiness programme and work to elaborate and deliver for Board consideration a further series of policies related to the project cycle. The Secretariat is also working to review the GCF Accreditation Framework, lift support to DAEs through targeted engagement and the Project Preparation Facility, and initiate targeted engagement with at least 20 countries on programming.

16. Acknowledging the adoption of cross-institutional key performance indicators (KPIs) in the 2018 work programme, the Secretariat will also pursue a stronger outcome-oriented reporting throughout 2018 in line with the key objectives of the work programme.

II. Activities of the Secretariat during the reporting period

2.1 Progress on matters related to the Office of the Executive Director

2.1.1 Lead the Secretariat in achieving its overarching goals

17. Over the course of 2017, the Executive Director led the Secretariat's senior management team (SMT) to make substantial progress toward the overarching goals described in the Secretariat's 2017 work programme, as described above and in table 1. The Office of the Executive Director (OED) was strengthened through operationalization of the key post of Deputy Executive Director, as well as the appointment of a Senior Adviser to OED and supporting staff.

18. In particular, OED led initiatives to drive policy solutions (for example, convening a cross-GCF discussion on the SAP), improve timeliness in the delivery of Board documentation, strengthen internal systems and processes, and facilitate greater cross Secretariat collaboration. The latter included the establishment of internal governance arrangements including a Terms and Conditions Committee, Information Management and ICT Steering Group, FAA implementation group, and MFS Group.

2.1.2 Obtain the Board's approval for a staffing level and to oversee the recruitment/maintenance of the workforce required

19. Informed by Dalberg's review of Secretariat capacity, the Executive Director and Deputy Executive Director led the senior management team to put together, for Board consideration, a proposal for an increased staffing level of 250 staff and a revised structure to efficiently carry out the Secretariat's expected workload. This staffing level and structured was approved at B.18.

20. To manage the current and future growth of staffing, the Secretariat identified new technology solutions to support overall HR management, which is expected to be implemented during the first half of 2018. The Executive Director and the senior management team consistently strived to retain and manage staff by conducting staff consultations and seeking solutions to meet staff needs and concerns. The turnover rate was recorded 7.6 per cent as of December 2017, which is a decrease from 9 per cent last December 2016.

21. The Executive Director and senior management team will continue to review the structure periodically, with a view to ensuring adequate capabilities to serve the vision and strategy of GCF moving forward.¹¹

¹¹ GCF/B.18/10 Annex III p.7

2.1.3 Effectively integrate newly hired management and staff into a cohesive GCF team by advancing a culture of productivity, empowerment and entrepreneurship

22. The OED led regular weekly SMT meetings to conduct cross-Secretariat policy discussions, and make day-to-day operational decisions. OED also convened monthly all-staff meetings to welcome new staff and allow divisions to present new initiatives or operational developments that were of broad cross-Secretariat relevance. At these meetings, staff were invited to share suggestions and raise issues to be collectively solved or discussed. The Executive Director ensured suggestions were responded to by appointing a staff member within OED to follow-up, which helped to advance staff's empowerment and entrepreneurship.

23. Furthermore, the OED coordinated a strategy discussion day in December to take stock of the work of the Secretariat in 2017 and identify strategic priorities for 2018. This enabled newly joined senior managers to better understand the overarching goals and approach of the Secretariat and formulate a strategic approach to the Secretariat's work for 2018.

2.1.4 Establish new Secretariat teams to facilitate the timely resolution of policy issues

24. To efficiently deliver mandated tasks and resolve policy issues, the OED initiated several working groups, committees and ad hoc policy discussions in 2017, as referred to in section 2.1.1 above. These teams and groups played an important role in improving business workflows, resolving policy and projects cycle issues, and creating internal accountability for deliverables.

2.1.5 Reach an agreement with the Board on dynamic processes for establishing priorities and enhancing the quality and timeliness of Secretariat documentation

25. The Secretariat undertook extensive work to implement the priorities set by the Board for 2017, both through the GCF Strategic Plan and evolving Board work programme. The Secretariat endeavoured to be timely and responsive in the delivery of documents for Board meetings, including policy and information papers requested by the Board. Led by the Executive Director's emphasis on the importance of meeting document distribution deadlines, the Secretariat implemented internal tracking and accountability measures to improve the quality and timeliness of document delivery. Despite this, the volume of policy work requested and mechanisms for consultation between the Secretariat and Co-Chairs' teams continued to put pressure on the timeliness of document delivery. The Secretariat will continue to pursue improvements in 2018.

2.1.6 To represent the Secretariat in relevant international outreach activities

26. The Executive Director continued to build the international presence of GCF and strengthen relationships with key stakeholders by attending various missions and events during the reporting period. He represented GCF and held bilateral meetings with numerous stakeholders at Climate Week in New York, Pre-COP in Fiji, COP23 and the One Planet Summit in Paris. He attended a series of AMA signings, bilateral meetings with countries and entities, and also participated in the China Council for International Cooperation on Environment and Development.

27. During the reporting period, the Deputy Executive Director ad interim attended the Alliance of Small Island Developing States Ministerial Meeting on the Initiative for Renewable Island Energy (IRIE) in the Maldives, and the launch of the Bhutan for Life project. More details on these missions and outcomes are shared in annex 2 in this document.

28. In December 2017, representatives of 14 Pacific island countries, including the President of Nauru, visited the GCF headquarters in Songdo and the Secretariat shared information on GCF readiness support and the current state of projects and funding.

29. For local outreach activities, the Executive Director led briefing sessions with embassies in Seoul, inviting heads of missions both in May and November 2017 to open discussions on the status of GCF operations. The third session is tentatively scheduled to be held in the second quarter of 2018 and the Secretariat will continue to provide interactive opportunities for stakeholders in Republic of Korea.

30. Throughout the year, the Executive Director also worked to cultivate a constructive working relationship with the Government of Korea. In October, the senior management team met the Deputy Mayor of Incheon City to explore opportunities for further collaboration. The following month, the Executive Director had a meeting with the Minister of the Ministry of Strategy and Finance to strengthen partnership between the host country government and GCF. The Secretariat holds regular and frequent meetings with all working levels of the host country government to work through any active issues.

2.2 Progress on matters relating to the Division of External Affairs

2.2.1 Strengthening Communications capacity and creating a Division of External Affairs

31. Continued progress was made in communicating GCF operations and the scale-up and implementation of its activities and programmes, as well as developing outreach and partnership activities during 2017. This culminated in the creation of a new Division of External Affairs (DEA) towards the end of the year, in line with the Secretariat structure approved by the Board in Decision B.18/11. Pending a permanent appointment, the position of Director of External Affairs ad interim is being filled by the Head of Strategic Planning. Other appointments during the year included hiring two web developers, a designer, and a web communications specialist, as well as an assistant to the Head of Communications. DEA continued to develop a GCF communications strategy in line with the Board request in Decision B.13/25, taking account of the new Secretariat structure approved in Decision B.18/11, which will be presented at B.20.

32. Communications is a core function of the Secretariat that cuts across all operational areas of GCF and supports the realization and promotion of the objectives of the operational Divisions as set out in the 2017 work programme. As a new division, established towards the end of 2017, DEA did not have specific deliverables under the work programme, although section 12.5 liaison/outreach/communication provided general guidance, particularly with regards to liaison with other organizations.

2.2.2 Developing communications materials and outreach efforts

33. The online presence of GCF was bolstered throughout 2017 via regular news articles on the GCF website. Since the start of 2017, around 100 web updates have been published to announce key developments, activities and milestones, paired with a further expansion of the social media presence of GCF. The GCF Twitter account expanded its reach by 60 per cent during the year, and was increasingly used to disseminate information about project implementation.

34. The GCF 101 guide was published online (with a special offline version made available for COP23). This is an online guide providing an easy to use and comprehensive road map about GCF. This cross-Secretariat initiative explains the different funding opportunities GCF provides to help developing countries access its resources. The 101 guide is aimed at NDAs, AEs, and potential partners, and covers accreditation, readiness, the project approval process, and implementing projects.

35. Knowledge management and GCF transparency was strengthened through the implementation of an online library, providing a searchable document repository for all GCF-related documentation, including that related to governance, projects, countries, entities, finance and templates. The usability of the website was enhanced through a universal search function, as well as by adding a filter to the projects and programme page, which allows sorting by different themes, whilst a subscription function added to the website allows website users to receive automated GCF updates.

36. A highly visible GCF presence at COP23 within the Bonn Zone was coordinated by the Communications team, including designing and setting up an information booth which acted as the focal point for participant inquiries about GCF. Furthermore, a series of fact sheets were produced ahead of COP23 providing a guide to GCF goals and operations, including adaptation, readiness, direct access, the SAP, and the expanded funding window for REDD-plus. During COP23 the Communications team also supported the launch of the Direct Climate Action Platform (DCAP), a prototype online knowledge-sharing platform.

2.2.3 Supporting divisions in communicating their activities

37. The communications team developed and implemented specific communications campaigns and products in partnership with operational divisions.

38. Communication plans were deployed to disseminate information about the GCF structured dialogues with Asia, the Caribbean and the Pacific, in collaboration with the CPD. Dedicated event web pages were created for each event, alongside web updates and media liaison. Information to countries and entities was disseminated using two tailored communications products with CPD, “Country Connections” and “Partner Entities Update”, which were published regularly throughout the year. In addition, “About GCF” presentations were developed in English, French and Spanish and shared with all NDAs and AEs to support them in communicating GCF amongst their national and regional partners.

39. The “Pitch for the Planet” information campaign was devised and executed to support the launch of the MBS RFP by the Private Sector Facility (PSF). This included the creation of a dedicated website with associated materials, a launch event, and a paid online and offline media campaign to disseminate information about the RFP. This had the result of driving a high level of awareness and interest in the RFP, leading to the submission of 350 concept notes by the closing date. The Communications team also developed a dedicated brochure about the PSF, providing information to private sector stakeholders about how they can engage with GCF and its PSF.

40. Communication support was provided to DMA to promote the SAP, which was launched during COP23. The Communications team supported the creation and promotion of the first GCF “Gender Toolkit”. Finally, the Independent Evaluation Unit (IEU) was supported in establishing its communication functions by helping them establish their branding, producing short introductory videos and creating an IEU newsletter.

2.3 Progress on matters related to the Country Programming Division

2.3.1 Enabling the initiation of country programme development in countries where work has not yet started, and assisting an additional 20 countries in reaching their programme completion

41. The Secretariat has continued to support countries in the development of country programmes and pipelines that serve to implement priorities in their nationally determined contributions and other national strategies or plans. Information about the initiatives taken and examples of countries making progress in this effort is provided in document GCF/B.19/15 titled “Readiness and Preparatory Support Programme: progress report”, and document

GCF/B.19/XX titled “Consolidation of Country and Entity Work Programmes”. Moreover, document GCF/B.19/XX titled “Readiness and Preparatory Support Programme: Revised Work Programme for 2018 and New Budget”, presents work undertaken by the Secretariat since the eighteenth meeting of the Board on the initial review of the readiness programme.

2.3.2 Supporting accredited entities in the development of their entity work programmes

42. In line with the strategic plan for GCF, the Secretariat is working with the 59 AEs in order to update or develop draft entity work programme (EWP) briefs. So far 23 DAEs and 23 international entities have submitted their entity work programmes for sharing with the Board and the Secretariat. More information on the entity work programmes is presented in document GCF/B.19/XX titled “Compilation of Country Programmes and Entity Work Programmes”.

2.3.3 Facilitating the accreditation of entities and managing ongoing relationships with entities

43. As of the end of 2017, 59 entities have been accredited, consisting of 32 (54 per cent) : 27 (46 per cent) in the number of DAEs and international access AEs. The Secretariat has continued to review applications for accreditation, in line with the Board’s decision to prioritize certain types of entities in 2017. As of 31 December 2017, 16 new entities had concluded the Stage I institutional assessment and completeness check and were under review by the Accreditation Panel in Stage II (Step 1). Of the 16, ten are direct access entities and six are international access entities. Four of the entities are private sector entities, two of which are direct access. More information on the status of accreditation is presented in the document GCF/B.19/14 titled “Status of accreditation matters”.

2.3.4 Expediting the implementation of readiness support for direct access entities through assistance and peer to peer collaboration

44. The Secretariat is continuing to support subnational, national and regional public and private sector entities seeking, or in the process of, accreditation. Readiness support has been approved for 26 direct access entities nominated by 30 countries from different geographical/regional areas by identifying institutional gaps and generating action plans based on the gap assessments.

2.3.5 Effectively implementing a schedule of intake for readiness support requests and deadlines for action on those requests.

45. The Secretariat has implemented a quarterly submission cycle of intakes for all readiness proposals. The details of this information can be found in document GCF/B.19/15 titled “Readiness and Preparatory Support Programme: progress report”.

2.3.6 Effectively implementing a new web-based system to increase the ease and effectiveness of applying for and tracking readiness activities

46. The Secretariat has almost completed the development of an online system called Fluxx to ensure more efficient management and tracking of readiness proposals. The system will be tested internally within the Secretariat first, and testing with a selected number of countries and entities before going fully live with the programme to all the NDAs/focal points and delivery partners.

2.3.7 Supporting and participating in country multi-stakeholder dialogues in at least 40 countries

47. The Secretariat has organized or joined several country missions in 2017 with the objective of convening multi-stakeholders in dialogues with a view to strengthening countries' strategic engagement with GCF. Information about these missions can be found in the documents GCF/B.19/15 titled "Readiness and Preparatory Support Programme: progress report", and GCF/B.19/XX titled "Consolidation of Country and Entity Work Programmes."

2.3.8 **Supporting and participating in at least six regional structured dialogues**

48. Three Structured Dialogues were organized in 2017, covering Asia (Bali, 26-29 April 2017), the Caribbean (Belize, 19-22 June 2017) and the Pacific (Tonga, 18-21 July 2017) regions. A regional workshop (as a first introductory engagement not branded as a dialogue) was organized for Eastern Europe and Central Asia (Georgia, 31 May to 2 June 2017). A wide range of stakeholders and government officials actively participated in these events, advancing their involvement with GCF.

49. Structured Dialogues for Latin America and Africa have been postponed and will take place in early 2018 due to challenges in scheduling and capacity of the host countries considered.

2.3.9 **Developing the GCF environmental and social management system**

50. The draft of the proposed GCF environmental and social management system (ESMS), and the environmental and social policy reflecting the inputs received from the second round of public consultations were presented to the Accreditation Committee.

51. In addition, the Secretariat circulated a call for inputs on 27 October 2017 inviting submissions from Board members, alternate Board members and observer organizations on the environmental and social policy. Nine submissions were received. The draft has been finalized incorporating submissions from the latest call for inputs and will be presented for the Board's consideration and approval.

2.3.10 **Conducting the review of the Gender Policy and Action Plan**

52. The Secretariat published a second call for public inputs on 27 October 2017 inviting inputs from Board members, alternate Board members, NDAs/focal points, AEs, accredited observer organizations, civil society organizations and the public at large on the draft of the updated GCF Gender Equality and Social Inclusion Policy and Action Plan. Twenty-five submissions were received from various stakeholders. The submissions have been compiled and published on the GCF website. This followed the first call for public inputs published on 20 April 2017, in which the Secretariat invited submissions in relation to the review and update of the GCF Gender Policy and Action Plan. A total of 37 submissions were received, and the inputs have been incorporated into a draft Gender Equality and Social Inclusion Policy and Action Plan. The submissions were also collated and published on the GCF website.

53. The Secretariat recruited a senior gender consultant to assist GCF in the review and update of the GCF Gender Policy and Action Plan. Submissions received from the second call for public inputs have been incorporated into the GCF Gender Equality and Social Inclusion Policy and Action Plan which will be presented to the Board for consideration and approval.

2.3.11 **Preparing and presenting for the Board's consideration an Indigenous Peoples Policy**

54. The Secretariat published a public call for inputs on 11 July 2017 inviting submissions on a draft indigenous peoples policy with the aim of soliciting feedback and recommendations to improve the draft policy. By the close of submission on 24 August 2017, the Secretariat had

received 45 submissions from members and alternate members of the Board, AEs, NDAs, focal points, civil society organizations (CSOs) including indigenous peoples organizations, and other stakeholders. The submissions were collated and published on the GCF website.

55. In addition, the Secretariat circulated a call for inputs on 27 October 2017 inviting submissions from Board members, alternate Board members and observer organizations on the draft Indigenous Peoples Policy. Seven submissions were received. The draft has been finalized incorporating submissions from the latest call for inputs and will be presented for the Board's consideration and approval.

2.3.12 **Actions taken to include gender considerations in the activities of GCF**

56. Following the adoption of the GCF Gender Policy and Action Plan of in 2015, gender considerations have been put in place in many areas of GCF work. Furthermore, GCF actions in the implementation of the Strategic Plan followed careful consideration of gender, wherever applicable. In particular, the following activities have been undertaken by the Secretariat with regard to gender mainstreaming.

57. At the portfolio level, the Secretariat is proactively reviewing concept notes and funding proposals from a gender perspective and ensures that gender and social assessments are undertaken by AEs as part of project appraisal, in line with the GCF Gender Policy and Action Plan. To date, 87 per cent of approved funding proposals contained a gender assessment. The Secretariat introduced innovative gender mainstreaming design features like project-level gender action plans which have helped to, as per the strategies outlined in the Gender Policy and Action Plan:

- (a) Identify specific gender elements that need to be included in project activities; and
- (b) Determine how the project/programme can respond to the needs of women and men from vulnerable communities in view of the specific climate change issue to be addressed.

58. To date, 74 per cent of all the approved funding proposals contained project-level gender action plans. Even though the submission of project-level gender action plans is not a mandatory requirement as per the GCF Gender Policy, but rather a design tool that was introduced later, there has been a significant increase in the number of entities who have prepared project-level gender action plans:

- (a) In terms of readiness and project development, gender-related activities are being integrated into the readiness and preparatory support programme with resources dedicated to NDAs to develop participatory and inclusive strategies, enhance multi-stakeholder processes, especially at the grassroots level, ensure the involvement of women-led organizations and representatives from indigenous peoples organizations in consultations, conduct gender-sensitive stakeholder consultations and analysis, and develop gender-responsive country programmes; and
- (b) As part of gender capacity development programmes, the Secretariat shared its experience on mainstreaming gender in the projects it is financing, with NDAs/focal points and direct access entities from the Asia-Pacific region through a virtual presentation for a training programme on Mainstreaming Gender Considerations in Climate Change Adaptation Projects for GCF organized by the Asian Institute of Technology in December 2017.

2.4 Progress on matters related to the Division of Mitigation and Adaptation

2.4.1 Facilitating the finalization of as many funded activity agreements as possible to enable disbursements and the implementation of already approved projects that have been approved prior to B.16

59. The Board has approved 53¹² funding proposals to date. Forty of them originated from DMA. In B.16 and B.18, the public-sector funding proposals that were approved were six and eight, respectively. Thus, the DMA portfolio has grown significantly, thereby increasing the workload related to the FAAs negotiations process.

60. Working closely with the Legal Team, Finance Team as well as the PMU, DMA strived to expeditiously move many of the approved projects to implementation, in accordance with the Secretariat's priority for 2017. As at 31 December 2017, the status of the FAAs negotiations with respect to the DMA portfolio is as summarized on the table below;

Table 2: DMA FAA negotiation status as at 31 December 2017

FAA Phases	Number of FPs
Pending AMA signing	1
Pending AMA effectives	9
Under FAA negotiations	10
FAA executed, but not effective	4
FAA effective, but no disbursements	1
FAA effective, and disbursements made	15
Total	40

61. Exactly half of the public-sector portfolio comprises of approved funding proposals whose FAAs have been executed. More importantly, as many as 15 projects with Effective FAAs received disbursements in 2017. Meanwhile, 10 projects either still have an AMA which is not signed yet or is pending effectiveness.

62. A number of first disbursements related to the DMA portfolio occurred during 2017. Altogether, 15 funding proposals in the portfolio, approved between B.11 and B.15, have disbursed for the 1st time a total amount of USD 53,438,315¹³. This is 50 per cent higher than the initial target of ensuring the disbursement of just 10 projects in 2017. More so, it is imperative to note that all disbursements requests for public sector funding proposals received in 2017 have been processed accordingly, with the exception one project (FP018) which is still yet to fully comply with all the relevant conditions for disbursements.

¹² Excluding the project that has lapsed as of 23 October 2017

¹³ This does not include AE fees.

2.4.2 **Facilitating the review and submission to the Board of 20 or more new public-sector projects**

63. As noted above, a total of 14 public sector funding proposals were approved by the Board over two Board meetings in 2017. In the interests of prioritizing policies and other key matters for GCF in B.17, the consideration of funding proposals was deferred at B.17. Eight projects with a total value of USD 254,208,781 were approved at B.18.

64. Meanwhile, DMA is preparing 24 funding proposals, including two SAP projects, for consideration by the Board in B.19. With regards to funding of these projects, GCF would provide USD 1,030.6 million, whilst USD 2,706.7 million would be leveraged from strategic partners through co-finance.

2.4.3 **Enhancing mergers and acquisitions sector expert engagement with countries and accredited entities for the preparation of high-quality, high-impact, transformational projects**

65. During the year, DMA in collaboration with CPD, engaged 10 DAEs, and also international AEs that included the United Nations Development Programme and the World Bank, with the view of fostering closer partnerships. This initiative will be expanded in 2018, by covering all IAEs and DAEs. To this end, Specialists from DMA were assigned to various DAEs and the IAEs, as per the list provided by CPD. Thus, DMA Specialists will work closely with those from other divisions with the primary objective of engaging all international AEs and DAEs in a structured manner in 2018.

66. In addition to the above, DMA in conjunction with CPD has also expanded the priority list to about 30 countries that will be targeted in 2018 for strategic engagement towards high quality pipeline development. This is a significant increase from the 10 countries which were covered in 2017. Chief among the considerations that were taken into account in coming up with the latest country list, was the need to strike a balance between countries with potential to deliver high quality projects pipeline in 2018, and those which still need capacity building support for them to improve their readiness.

2.4.4 **Assigning a Senior/Principal Specialist to support the enhanced direct access pilots and directly support countries, national designated authorities and direct access entities in the origination of high-quality pilot funding proposals**

67. DMA has also assigned senior specialists who, in coordination with CPD, engaged with NDAs, DAEs, and international AEs, in various forums including workshops. The engagement efforts were geared towards enhancing the quality of funding proposals that were submitted for consideration by the Board at B.18.

2.4.5 **Progress on other matters**

68. DMA led the development of documents related to the consolidated issues on policy matters in the consideration of funding proposals from B.11 to B.18. The PAP was updated by the Board at B.17. At B.18, the SAP for certain activities, and the pilot programme for REDD-plus results based payments were endorsed. Notably, the policy documents developed in B.17 and B.18 have led to calls by the Board for other policies to be considered by the Board in its 2018 work programme. These policy documents are also under development by the Secretariat for consideration by the Board starting at B.19 in February 2018.

Table 3: Policy papers developed in B.17 and B.18

Document Title	Reference number	Status
Request for proposals for the pilot programme for REDD-plus results-based payments	GCF/B.18/06	Adopted
Operationalizing the simplified approval process for certain activities, including small-scale activities	GCF/B.18/17	Adopted
Review of the structure and effectiveness of the independent Technical Advisory Panel	GCF/B.18/Inf.11	Noted
Green Climate Fund support for the early phases of REDD-plus	GCF/B.17/16	Adopted
Review of the initial proposal approval process	GCFB.17/18	Adopted
Strengthening and scaling up the GCF pipeline: establishing strategic programming priorities	GCF/B.17/19	Adopted
Status of the GCF portfolio: pipeline and approved projects	Regular document every board meeting	Noted
Status of the fulfillment of conditions on relevant approved projects	Regular document every board meeting	Noted
Status of indicative minimum benchmarks: key findings to date and options for implementation	GCF/2017/Inf.01	Inf. Doc
Status update on indicative minimum benchmarks	GCF/B.17/Inf.02/Add.02	Inf. doc

2.5 Progress on matters related to the Private Sector Facility

2.5.1 **Take a key role in finalizing outstanding accreditation master agreements with accredited private sector players, while maintaining focus on signing funded activity agreements and on disbursements on private sector projects and programmes approved before 2017 in the range of USD 100–150 million**

69. The key priorities of the PSF in 2017 were to support the operationalization of GCF by developing a strong private sector practice that is fully able to engage the private sector both local and global, as mandated by the Board. Of the 53 funding proposals approved by the Board to date, 14 of them originated from the PSF. These represent around 50 per cent of the GCF portfolio by value, with USD 1.3 billion of GCF investment attracting USD 4.2 billion in co-financing investments, for a cumulative investment total of USD 5.5 billion.

70. In 2017, the PSF senior team supported Office of General Counsel (OGC) with negotiations of AMAs on commercial issues. The PSF team has worked closely with AEs to ensure the operationalization of approved private sector projects. FAAs for five private sector projects were executed (a total of 6 FAAs signed)¹⁴. Disbursements were made for three projects for USD 93.9 million (or 63.7 per cent of total cash disbursement). In addition, a large number of proposals were reviewed and considered, in order to develop a strong and strategic pipeline of funding proposals for the Board's consideration, in line with country needs and the investment framework of GCF.

¹⁴ The approval of FP029 project has lapsed as of 23 October 2017.

¹⁵ FP028 (XacBank Mongolia) comprises two FAAs for grant and loan components.

71. In B.16 and B.18, two and three private-sector funding proposals respectively were approved. The PSF portfolio has grown significantly, thereby increasing the workload related to the FAAs negotiation process. Working closely with the OGC, Finance Team as well as the PMU, PSF strived to expeditiously move many of the approved projects to implementation, in accordance with the Secretariat’s priority for 2017.

72. As at 31 December 2017, the status of the FAAs negotiations with respect to the PSF portfolio is as summarized below. While there are 13 approved projects, the total number of FAAs are 15 as some projects comprise of more than one FAA.

Table 4: PSF FAA negotiation status as at end of December 2017

FAA Phases	Number of FPs
Pending AMA signing	0
Pending AMA effectives	7 ¹⁶
Under FAA negotiations	2
FAA executed, but not effective	2
FAA effective, but no disbursements	0
FAA effective, and disbursements made	4
Total	15

2.5.2 To work closely with accredited entities to ensure the proper implementation of the already approved private sector projects to begin, with a goal of enabling the initial implementation of five to seven of the already approved projects

73. As of 31 December 2017, the Secretariat has disbursed USD 93.9 million for three private sector projects. More information on the status of approved funding proposals and the conditions attached thereto can be found in the document “Status of the fulfilment of conditions on relevant approved projects”.

2.5.3 To facilitate the review of, value addition to and quality engagement with accredited entities to ensure submission to the Board of up to 12 projects or more new private sector projects and/or programmes that meet country needs first and in line with GCF policies and guidelines

74. In 2017, the PSF Team engaged with 44 countries, 29 NDAs and all private sector AEs, and in most cases, the focus was introducing GCF offerings to countries, to engage with the private sector, to hear country’s priorities and how best to provide support. The team also participated in all structured dialogues and also few strategic conferences and forums including Innovate4Climate in Barcelona, 2017 United Nations Climate Change Conference COP23 in Bonn and the 5th Mongolian Sustainable Finance Forum in Ulaanbaatar.

75. PSF’s engagement efforts successfully resulted in 13 approved projects by the Board and four additional projects to be presented at B.19.

2.5.4 Managing the pilot programmes mobilizing funds at scale and micro-, small and medium-sized enterprises

¹⁶ FP026 has two accredited entities (Conservation International, CI, and European Investment Bank, EIB). The AMA for CI is effective while the AMA for EIB is not effective yet. FP026 is counted under the FAAs pending effectiveness of AMA for EIB and FAAs under negotiation for CI.

76. **MFS RFP.** Under decision B.16/03 the Board requested the Secretariat to issue an RFP on mobilizing funds at scale. The RFP was launched on 25 May 2017 with a closing date of 30 August 2017 and received a total of 350 concept notes. Following the evaluation process, 30 concept notes have been shortlisted for further prioritization in accordance with quality, investment guidelines and RFP terms. The successful launch of the MFS RFP has highlighted the potential for not only in mobilizing the private sector both locally and globally, but more significantly the potential GCF ability to leverage significant amounts of additional funds to those provided from its own resources. A full review of the MFS RFP is contained in annex III “Status update on the Request for Proposals on Mobilizing Funds at Scale and lessons learned.”

77. **Micro-, Small and Medium-sized Enterprises Programme.** The Board, in decision B.13/22, paragraph (c), requested that the Secretariat issue the request for proposals to solicit responses from AEs and potential AEs in order to provide financial solutions to micro-, small and medium-sized enterprises (MSMEs) in support of mitigation and adaptation activities in developing countries. Three MSME proposals have been approved by the Board for GCF funding of USD 52.2 million, including FP029 which has lapsed as of 23 October 2017.

2.5.5 **Developing a strategic road map for GCF engagement with the private sector, institutional investors and areas of uniqueness, complementarity and collaboration in the climate finance space with the ultimate goal of developing a business plan**

78. Because of the deep engagement with all the countries, NDAs and AEs, and after sounding the market with the RFP for MSME and MFS, PSF is now engaged in developing a strategic road map for GCF engagement with the private sector, with the goal of developing a business plan. A Request for Proposals has been issued to select a firm to carry out this work in close collaboration with PSF staff.

2.5.6 **Building capacity and staffing by bringing on board highly qualified staff to expand PSF programming**

79. The focus of the Director in 2017 was to build a strong private sector practice by developing the existing team and bringing on board highly qualified staff to expand PSF programming. Throughout 2017, eight employment offers were made and accepted, and PSF has started 2018 with 20 operational staff representing 15 nationalities, over 200 years of cumulative investment and climate finance expertise, and over 10 languages including all of the United Nations languages (English, Arabic, French, Spanish, Russian and Chinese).

80. A number of strategic and senior hires were made while a number of the existing team were recognized through promotions and also expanded their scope as the work program increased. PSF will now have a strong team that has diverse professional background from investment, climate finance, development finance, private equity funds, project finance and structured finance.

81. Furthermore, in 2017, PSF engaged two firms to meet the training needs of the team in both project finance and financial institutions. The team should now be able to engage with NDAs and AEs to support the Board in its consideration of high quality proposals.

82. With GCF aiming to reach over 250 staff in 2018, PSF plans to increase its headcount to 26 by the end of 2018 (approximately 10 per cent of the workforce). Going forward and given that now there is a critical mass of staff, PSF will now look to fine-tune its team organization around geographic lines as well as in strategic thematic areas to support the full integration of three operational units of GCF with CPD and DMA.

2.5.7 **Contributing to developing a tailored strategy for communication and engagement with accredited entities and countries (including their local private sector) designed to support the submission of high-quality, high-impact, transformational private-sector projects**

83. PSF engagement with NDAs, AEs and the private sector is designed to support the submission of high-quality, high-impact, transformational private-sector projects. During 2017 PSF also worked towards developing a tailored strategy for communication and engagement with AEs and countries (including their local private sector).

2.5.8 **Developing and initiating the implementation of a strategic outreach plan to draw in new private sector actors and accredited entities in climate projects**

84. PSF developed a number of communication products to support its engagement and outreach strategy, including the following:

- (a) PSF brochure providing an overview of the GCF private sector offering;
- (b) Website presence providing information to private sector partners on engagement with GCF;
- (c) Materials developed to promote the MFS RFP, including promotional video and dedicated website; and
- (d) Media outreach to promote the MFS RFP, including international and regional press (online and offline).

2.5.9 **Supporting the PSAG, providing logistical support for and participating in its virtual and physical meetings and advancing its recommendations to the Board**

85. During 2017, in partnership with the respective Co-Chairs and Board members of PSAG, PSF facilitated the completion of Board mandates, and actively supported the PSAG leadership in engaging the PSAG experts. The PSAG held two physical meetings in 2017. The first meeting was held in Cape Town, South Africa from 20–22 February where PSAG members discussed a wide range of topics related to the private sector operations of GCF. The second physical meeting was held on 6-7 December in Copenhagen, Denmark, which also had participation by co-opted Board members from LDCs (Mr. Evans Davie Njewa) and SIDS (Mr. Ronald Jumeau). The PSAG held number of virtual meetings during the year, for which PSF provided logistical support.

86. PSF supported PSAG in delivering the following recommendations and analysis to the Board during the last year:

- (a) Recommendations and analysis of barriers to crowding-in and maximizing the engagement of the private sector (GCF/B.17/03);
- (b) Recommendations on the development of modalities to support activities enabling private sector involvement in LDCs and SIDS (GCF/B.19/XX); and
- (c) PSAG recommendations on the development of a private sector outreach plan (GCF/B.19/XX).

87. In addition, PSAG members also commenced discussion on a Board request for the PSAG to provide recommendations on the opportunities to engage the private sector, including local actors, in adaptation action at the national, regional and international levels, to be presented by B.20. PSF will also support the PSAG delivering its recommendations on the mobilization of private sector finance to progress GCF forestry-related results areas by B.20.

2.5.10 Progress on other matters

88. Other key achievements during 2017 included:
- (a) GCF-European Bank for Reconstruction and Development Egypt Renewable Energy Financing Framework (FP039) was named the global multilateral deal of 2017 within Private Finance International's Global Awards;
 - (b) Our engagements with XacBank of Mongolia (FP28, FP46), the only private sector accredited direct access bank, continue to demonstrate the role a local private sector bank can play in greening an economy;
 - (c) The approval of Geeref Next (FP038) with European Investment Bank marks the first investment in the largest fund of funds that can leverage significant capital; and
 - (d) The implementation of our first collaboration with Acumen (FP005) demonstrates the power of entrepreneurship in supporting distributed power for those living in off-grid, rural communities.

2.6 Progress on matters related to the Division of Support Services

Resource management

2.6.1 The completion of a business continuity plan to deal with prevention and recovery in the event of disruption

89. In late 2017 the GCF Business Continuity Plan was completed and approved by the Secretariat senior management team. A GCF evacuation plan was also finalized. In September 2017, the evacuation plan was operationalized, which includes:

- (a) Determination of the current security level;
- (b) Nomination of the crisis management team, core team, evacuation coordinator and evacuation wardens;
- (c) Determination of evacuation key locations; and
- (d) Preparation of the evacuation tool including checklists and training schedule.

2.6.2 The establishment of a Portfolio Management Unit in the first quarter of 2017 to monitor progress on approved projects

90. Since its inception in January 2017, PMU staff strength has increased from three to seven staff, two consultants and two interns. It is envisaged that the PMU will require more human resources to keep abreast with the Secretariat's efforts to move from project preparation and approval to the implementation stage together with due diligence functions that will exponentially increase with the receipt of progress reports and completion reports from readiness activities, NAPs and annual performance review reports due from 19 AEs.

91. PMU streamlined the readiness program monitoring and reporting system by developing results and outcome-based interim progress and completion reports that will allow the Secretariat to capture both quantitative and qualitative results; variances in activities; lessons learned; key challenges and the way ahead. This, in turn, is expected to support the Secretariat create a learning-based platform and knowledge bank for upstream programming and readiness activities going forward.

92. Supported DMA and PSF to substantially improve the quality of funding proposals by providing advice on improved approaches to results-based planning and sequencing of project-

level strategies and activities as well as monitoring, reporting and budget schedules in AMAs and FAAs signed between the Secretariat and the AEs concerned.

93. PMU has developed a draft Operations Manual for the Funded Project Lifecycle. This “living” document will serve as a tool for Secretariat staff to:

- (a) Provide guidance and support for Secretariat staff as they manage the phases in the lifecycle of funded activities;
- (b) Serve as a training resource for new staff; and
- (c) Empower employees with regards to the specific tasks that their roles entail and the extent of their responsibilities.

94. In addition, PMU prepared three additional administrative instructions on-policy and procedural gaps during the implementation phase of readiness programs, data input protocols for GCF data management practices, and operational aspects of restructuring of approved projects.

2.6.3 The finalization of as many outstanding contribution agreements as possible

95. The Secretariat has signed eight new and/or additional contribution agreements in 2017. Since B.17, five additional countries have signed a contribution agreement for part of its entire pledge. The additional countries were Iceland, Malta, Ireland, Mongolia and Norway.

96. The level of resources available for funding decisions (commitment authority) as at 31 December 2017 is approximately USD 2.4 billion, which includes the actual cash in the Green Climate Fund Trust Fund (GCFTF) and the promissory notes (PNs) deposited in a designated custody account, minus the funding decisions taken. The total projected additional commitment authority for 2018 is approximately USD 1.7 billion. Please refer to annex IV for further details, including the contributions pledge tracker and the financial report of the GCFTF.

2.6.4 The finalization of a sustainable procurement policy by the end of the first quarter of 2017

97. The Sustainable Procurement (Policy) draft instructions document has been prepared and is due to be presented to SMT for approval and full implementation under the revised Procurement Guidelines in 2018. This will be presented after revised Procurement Guidelines have been approved by the Board. Preparation of the document was done in consultation with relevant units of the fund.

2.6.5 The execution of disbursements for approved funding proposals

98. The pace of disbursement increased during 2017. GCF disbursed a total of USD 152.5 million¹⁷ comprising of USD 141.9 million to finance approved funding proposals, USD 8.2 million in readiness grants, USD 1.1 for PPF, and USD 1.3 million for NAPs grants.

2.6.6 The enhancement of business information systems to more efficiently support and/or monitor such key activities as portfolio management, contribution management, readiness requests, cost containment and stakeholder networking

99. The 2017 work programme focused on the business systems that were of critical importance to GCF. 2017 and early 2018 saw steady progress in the implementation of these core business systems.

¹⁷ This does not include AE fees.

100. The integrated Portfolio Management System (integrated PMS) received frequent and iterative releases in 2017, reaching the stage of covering a wide range of aspects required for GCF internal knowledge management related to projects. The integrated PMS manages related workflows of post-accreditation to post-approval (including tracking conditions). GCF provided enhanced dashboard reporting functions and business intelligence. GCF will work on new data modules and reporting platform to be developed and linked to the integrated PMS by Q2 2018.

101. Work for establishing dedicated knowledge management and collaboration portals for the needs of NDA and AEs continued. GCF established country and AE portals integrated with the integrated PMS and provided pilot access to a small set of NDAs and AEs to gather feedback and perform revisions based on this feedback. The portals are expected to facilitate enhanced transparency and interaction with these key stakeholders by enabling the AEs and NDAs to access the GCF data repository of their project pipeline with password protection. The portals include the status of the concept notes and funding proposals submitted as well as information on approved projects such as the status of the FAAs and the disbursements. The Secretariat aims to have the next version of the portal ready during the first quarter of 2018, with the features of online concept note and funding proposal submission.

102. Specific to the handling of readiness requests, a system to address both pre-approval and post-approval steps is now operational. GCF is finalizing the automation of system workflows and a rollout plan for 2018. The use of this system will greatly increase information accessibility and thus facilitate better communication to countries and delivery partners of GCF.

103. At the end of 2017, GCF delivered a system to keep track of funding inflows to GCF (based on pledges and loans). Key users have already received training on the system; data validation and reporting enhancements will occur in Q1 2018.

104. GCF completed the first part of a phased implementation of an Organizational Performance Management System, starting with aspects of strategy implementation supported by KPIs.

105. Progress on a Customer Relationship Management (CRM) tool incrementally advanced in the context of starting the implementation of a new tool for OED correspondence management. The solution chosen for OED is expected to provide the Secretariat with a foundation for an expanded CRM capability in 2018.

106. As for other key internal systems, the implementation of an e-Sourcing system for procurement moved forward with the initial design; implementation will complete in 2018. Work also started on identifying a Cloud-based travel management solution that would provide a flexible online booking tool and travel expense management for the Secretariat. Work for implementing a GCF Cloud-based HR system is progressing; the Secretariat is optimistic that the first release of the system will be delivered in Q1 2018. For payroll, GCF introduced in December 2017 a custom developed payroll solution. The new payroll system is going live in January 2018.

107. Finally, in January 2018 the Secretariat introduced the first release of a GCF Apps Portal to all Secretariat colleagues, where staff using their GCF email ID and password can now access multiple ICT systems, in line with their specific job role. The Apps Portal will now serve as a “one-stop shop” for all GCF IT solutions and will besides efficiency gains simplify and further strengthen the accurate management and audit of systems access authorizations and licensing.

2.6.7 **The augmentation of travel services to enable 24/7 support by mid-2017**

108. Travel services are now outsourced to two external firms. The procurement and travel teams provide oversight and overall management of the service. Consideration for a third travel agent that has relevant automation to connect with the new concur travel system the Secretariat is currently implementing has been made. This additional travel services contract will provide

for 24/7 English services and travel insurance. It is expected that this will be concluded in the first quarter of 2018 as a value adding initiative to the existing set up.

2.6.8 The preparation of a strategic procurement planning process, updated standard bidding documents and standard operating procedure for GCF procurement

109. An institutional “2017 Procurement Plan for 2017” was prepared. Implementation of the procurement plan will be reported on a quarterly basis to the SMT.

110. New standard bidding documents have been prepared and will be launched for use in January 2018.

111. Standard operating procedures (SOP) have been completed. One training workshop has already been undertaken by Procurement to sensitize staff on necessary procedures covering procurement of goods and services, contracting of individual consultants and travel services. A second workshop is planned for 2018 once the revised guidelines are approved as this will help increase awareness of staff obligations on procurement and travel matters, particularly in view of the increased size of the fund with a number of new staff.

2.6.9 The redesign of at least two floors of office space to support new staff

112. Two additional floors (14th and 17th) have been renovated at GCF headquarters at the G-Tower in Songdo and are now occupied. In addition, the 12th floor has been redesigned.

Human resources

2.6.10 Finalizing and, where warranted, facilitating the implementation of procedures for internal promotions and pay progression

113. In early 2017 the process was developed for giving merit pay to those staff whose performance met or exceeded expectations. Thirty-nine staff received a merit salary increase for their good performance in 2016. During 2017 a promotion process was also developed and implemented, and 11 staff benefited from promotions as they were judged to be working, or to have the potential to work, at a level above their current grade in the organization.

2.6.11 Extending and approving selected staff benefits that support staff retention

114. Many of these initiatives will be introduced in the context of the revision of the human resources (HR) policies, which is expected to be finalized during 2018. However constant efforts are made to improve conditions for GCF staff, for example during 2017 a consultant has been specifically tasked to support spouses/partners; an ombudsperson has been appointed; there is now a process to recognize staff temporarily taking on additional responsibilities, there is also now the formal possibility for staff to raise grievances and appeal administrative decisions. In addition, all staff were offered a free influenza vaccination at the start of this winter.

2.6.12 Finalizing development and initiating the implementation of a training and learning strategy for enhanced professional development

115. The first organization-wide training and learning (T&L) strategy for the Secretariat was implemented during 2017. A T&L budget was allocated to each manager and they were invited to use the money to support the individual professional development plans of their staff (highlighted during the performance evaluation process), or to carry out team and organizational development initiatives. All staff are also invited to use up to 10 learning days per year for their professional and career development initiative.

2.6.13 Increasing the promotion of the Secretariat's family support group and employment assistance provided to spouses

116. As the Secretariat has grown the need for the Secretariat Family Support Group has reduced as spouses/partners are able to organize their own support groups. However considerable effort is still being put into helping spouses/partners to find useful/interesting activities. Focus is being put on alternatives to paid employment, which remains very difficult for foreigners in Korea, such as academic studies, support to create new businesses, consultancies, or volunteering. A consultant has been hired and they are working with individual spouses/partners, as well as all likely resources (e.g. Korean companies, government departments, universities, NGOs, charities, etc.).

2.6.14 Executing the first application of the Secretariat's new performance management system and consequent performance pay

117. The Secretariat's Performance Management and Development System (PMDS) was initiated in 2016 and fully implemented for the first time in 2017. The 2016 performance of all staff who had been employed for more than 6 months was evaluated in terms of achievement of objectives and demonstration of required competencies. According to the evaluations, initiatives to improve performance and professional development plans have also been created. As seen above, following the implementation of the PMDS, merit/performance pay was allocated to those staff whose performance met or exceeded expectations.

2.6.15 Developing and applying new information technology solutions to support recruitment and human resources administration

118. As a result of a procurement process the Secretariat has contracted with SAP to provide recruitment and HR administration systems. The recruitment system is nearing completion and is likely to be launched in the coming weeks. The HR administration system is not far behind and will be launched as soon as possible. Both systems are expected to bring considerable benefits as they will eliminate much of the current manual work reducing the risk of errors, enable better control of processes, provide an improved service to staff and candidates, and enable accurate reporting and analysis for the Secretariat.

2.6.16 Revision of the human resources guidelines

119. The draft revisions to the HR guidelines were at an advanced stage pre-B18. However, it was decided within the Secretariat that a more appropriate approach would be to bring the structure of the GCF legal framework for human resources in line with those of nearly all other multilateral institutions, whereby the Board would approve documents that set out the principles of human resource management in respect of staff members, but which leave their implementation to the Executive Director through the issuance of HR rules.

120. This decision has entailed a major re-structuring and redrafting of the documents, although the substance is extracted from the revised draft HR guidelines that were prepared in 2017. Although much consultation with staff has already been carried out, time has to be put aside for consultation on the new documents. This major restructuring of the HR documents and the additional time for staff consultation has meant that the revised approach will be ready for presentation to the Board at the twentieth Board meeting.

2.7 Progress on matters related to the Office of the General Counsel

2.7.1 Making significant progress on getting privileges and immunities for GCF in all countries, either through bilateral agreements, multilateral agreements or investigating linkage with the United Nations

121. Progress on bilateral agreements on the privileges and immunities of GCF are one of the core priorities of OGC. The Secretariat is actively pursuing negotiations with both developed and developing countries, namely officials of Parties to the UNFCCC, during meetings and conferences. As at 31 December 2017, the Secretariat had sent draft agreements on the privileges and immunities of GCF to a cumulative total of 123 countries. To date, 16 bilateral privileges and immunities agreements have been signed. These are with Antigua and Barbuda, Belize, Cook Islands, Georgia, Honduras, Kiribati, Micronesia (Federated States of), Namibia, Papua New Guinea, Saint Vincent and the Grenadines, Samoa, Solomon Islands, Tonga, Uruguay, Vanuatu and Zambia.

122. While progress has been made, the Secretariat notes with concern that further and sustained efforts are required to ensure that GCF is covered by privileges and immunities as envisaged by the Governing Instrument for the GCF. Negotiations on bilateral agreements with Parties to the UNFCCC will continue. However, in addition, the Secretariat proposes to offer to Parties to the UNFCCC the alternative option of entering into a multilateral agreement that will in substance follow the template agreement on the privileges and immunities of GCF.

123. The matter of GCF privileges and immunities was discussed during COP23. In this connection, in 2014, the Board requested the COP to consider an institutional linkage between the United Nations and the Secretariat.¹⁸ However, consensus has not been reached within the COP on whether to take up the Board's request, and the issue remains on the COP agenda. Instead, in decision 9/CP.23, the COP encouraged Parties to enter into the relevant agreements and urged the Board to intensify its efforts to ensure that GCF enjoys the necessary privileges and immunities.

124. The Secretariat, therefore, would like to renew its request for the support and cooperation of all Parties to the UNFCCC in order that either a multilateral agreement or a bilateral agreement on the privileges and immunities of GCF may be entered by each of them as soon as possible, to ensure effective and efficient operationalization of GCF.

2.7.2 Preparing fiduciary guidelines, instructions and policies on conflict of interest, harassment, gifts and entertainment, staff bill of rights and staff vetting

125. As noted in the Report on the activities of the Secretariat submitted to the Board for its seventeenth meeting and eighteen meeting, a number of items under this workstream have been transferred to the Compliance Unit or the Independent Integrity Unit (i.e. those related to conflicts, gifts and entertainment and staff vetting). As regards the others, these matters are being progressed in the context of the revision to the GCF legal framework relating to human resources.

2.7.3 Developing a case management system ensuring the proper administration of new matters and tracking progress

126. OGC has developed a document management system to ensure all legal matters are properly managed and tracked. OGC understands that GCF is developing a fund-wide system which it may utilize at the appropriate time.

¹⁸ UNFCCC/CP/2014/8.

2.7.4 **Preparing a document clarifying the hierarchy of GCF legal norms (e.g. the Governing Instrument for the GCF, Board decisions, administrative instructions issued by the Executive Director, guidance, etc.)**

127. OGC is working with other divisions to finalize the administrative instruction on the GCF legal framework. Amongst other things, this framework will set out the relative hierarchy of legal norms applicable to GCF, including in relation to the various legal and regulatory instruments which are applicable internally with the Secretariat and Independent Units.

2.7.5 **Developing short-form procurement contract templates for low-value procurements**

128. To improve the efficiency of the legal review of procurement contracts, OGC has led an initiative to simplify the legal review process of procurement contracts. This process is already demonstrating some success, evidenced by the reduced procurement contract processing times. In parallel, OGC is working with the procurement team to identify where other efficiencies can be made, for example, by developing short form procurement templates to use for low value procurements, if necessary.

2.7.6 **Progress on other matters**

129. OGC continues to play a central role in achieving the first of the Secretariat's five overarching goals in 2017: finalizing as many AMAs and FAAs as possible to jump start the implementation of approved projects.

130. As at 31 December 2017, the Secretariat had signed 41 AMAs with AEs, which represent sixty-nine per cent (69 per cent) of all entities accredited by the Board. Negotiations with the other 18 entities accredited by the Board are ongoing and are at different stages of progress.

131. In addition, as at 31 December 2017, the Secretariat had signed FAAs in respects of 25 funding proposals approved by the Board, which represents forty-six per cent (46 per cent) of all such funding proposals.

132. Further details on the status of AMAs and FAAs can be found in the limited distribution addendum to this document (GCF/B.19/18/Add.01).

2.8 Progress on matters related to the activities of the Office of Governance Affairs

133. The Board by decision B.18/11, paragraph (b) approved the structure of the Secretariat as shown in annex XV to document GCF/B.18/23. In so doing, what was formerly the Office of the Secretary to the Board (OSB) was named Office of Governance Affairs (OGA).

2.8.1 **Providing efficient support to the Board**

134. OGA compiled and oversaw publication of the compendium of decisions for B.18 as well as the development of the meeting report for adoption by the Board at B.19.

135. OGA compiled the first draft and supported the Co-Chairs with the development of the B.19 provisional agenda through to publication. Within the Secretariat, OGA tracked the development of B.19 documentation to facilitate timely delivery.

136. OGA facilitated the process for decisions taken by the Board between B.18 and B.19, including with regards to the process of electing the Co-Chairs for 2018.

137. OGA facilitated the interaction between the Co-Chairs and the Secretariat, regarding, among others, the development of B.19 documentation; and GCF participation in COP23. OGA facilitated Secretariat communications sent to the Board in close coordination with the Co-Chairs and their teams.

138. OGA continued to update and maintain the searchable database to facilitate access to Board decisions (Board decision tracker) for use by the Secretariat and independent units. OGA also continued to collaborate with ICT to improve the tracker's functionality.

139. In collaboration with the Division of Support Services, OGA oversaw and managed the overall preparations for B.19, subsequently to include the timely dispatch of notification and logistics notes; managing the online registration of participants; and coordinating the logistical support for the meeting.

2.8.2 **Facilitating the GCF response to Conference of the Parties guidance and the GCF engagement with the Conference of the Parties, its constituted bodies and the wider climate policy landscape**

140. **Guidance from the Conference of the Parties.** In accordance with established practice, OGA supported the Co-Chairs to finalize the Addendum to the Sixth Report of the GCF to the COP. The Addendum was submitted to the UNFCCC Secretariat on 26 October 2017 and reflected the state of affairs as at 10 October 2017. The report took into consideration the comments made and decisions taken at B.18, and included an annex on information on proposals from direct access entities, as mandated by decision B.18/02, paragraph (c).

141. **Engagement at the 23rd Conference of the Parties to the UNFCCC.** The Secretariat sent a delegation to COP23 in Bonn, Germany to engage with Parties and non-Party stakeholders on many issues pertinent to GCF, including negotiations on COP guidance to GCF and long-term finance. GCF hosted over 60 high-level bilateral meetings with developing country Parties, an additional 36 bilateral meetings with entities, and held technical briefings for regional groups. The delegation aimed to inform factually on the status of progress in areas of GCF work such as: readiness, funding proposals approval, access, national adaptation plans (NAPs), REDD-plus, amongst others, in response to mandates and guidance received from the COP, including through the celebration of two GCF side events; and clarify doubts on the project cycle, building the portfolio, enhancing the quality of potential proposals, and facilitating the interaction of countries and AEs with GCF.

142. The Secretariat organized a number of side events to update and inform COP attendees on the progress of GCF in 2017; a joint side event with GEF on the implementation of the Paris Agreement; a day-long technical workshop on national adaptation plans and adaptation planning processes; and co-hosted the Day of Direct Access Entities where the Executive Director announced the launch of the SAP Pilot Scheme. GCF Secretariat staff participated in more than 50 COP-related events throughout the week. The Secretariat signed several key operational and legal agreements: seven AMAs, two FAAs, two readiness grant agreements, and two bilateral privileges and immunities agreements.

143. **Engagement with thematic bodies of the UNFCCC.** In line with decision B.13/11, where the Board requested the Secretariat strengthen its approach to engaging with the thematic bodies, OGA has led engagement with a number of technical bodies. From 18-21 September, OGA attended the 16th Meeting of the Standing Committee on Finance (SCF) to inform and engage with the SCF on draft COP guidance to the GCF, the 6th Review of the Financial Mechanism technical report, and the Report of the SCF to the COP. On 20 September 2017, OGA briefed the Adaptation Committee during its 12th meeting regarding the AC review of the GCF readiness programme and to answer AC members questions regarding GCF processes. The Executive Director and Secretariat technical staff addressed the Regional NAP Expo in Seoul (11-12 September 2017) on issues related to accessing GCF funding for NAPs and

adaptation planning processes. Finally, during COP23, the Secretariat supported the Co-Chairs to convene the second Annual Meeting of the GCF with the Thematic Bodies to discuss the theme of direct access, specifically inputs from the thematic bodies on direct access and experience with private sector in SIDS and LDCs.

144. **Engagement with other climate finance delivery channels.** In line with decision B.17/04 adopting the Operational Framework on Complementarity and Coherence, the Executive Director hosted the first Annual Dialogue of Climate Finance Delivery Channels with representatives of the governing bodies and staff of the GCF, GEF, Adaptation Fund and Climate Investment Funds. The Dialogue produced concrete actions for 2018 including a joint COP24 side event and a technical meeting in early 2018 to better understand each other's operations and processes and to further refine actions for the year. OGA staff represented GCF at the 53rd GEF Council from 28–30 November 2017, to engage common GCF/GEF AEs. OGA staff were present at the Climate Investment Funds Trust Funds Committee Meetings from 11–15 December 2017 to monitor progress on the investment plans of countries under the different Funds under Climate Investment Funds (CIFs) and explore options for collaboration. Both the GEF Council and CIFs Trust Funds meetings provided an opportunity for OGA to further follow up on Annual Dialogue outcomes.

145. **Engagement with the Technology Mechanism of the UNFCCC.** During the reporting period, the Secretariat has engaged both with the Climate Technology Centre and Network (CTCN) and with the Technology Executive Committee (TEC) regarding technology issues, including the subject of enhancing linkages. Both the CTCN and the TEC provided valuable inputs to the B.18 paper that served as the basis for decision B.18/03 (RFP for technology incubators and accelerators). At that Board meeting, the CTCN and TEC chairs addressed the Board on modalities for GCF to support climate-relevant technology through its funding operations. At COP23, the Executive Directors of GCF and the United Nations Environment Programme (UNEP) exchanged letters to formalize the linkages between GCF and CTCN on technology related matters, including CTCN as a readiness delivery partner. Finally, in line with Decision B.18/03, the Secretariat is collaborating with the TEC and CTCN in the organization of a thematic dialogue on incubators and accelerators to be held in conjunction with the meeting of the TEC in Bonn, Germany in March 2018.

2.8.3 **Supporting the engagement of observer organizations with GCF**

146. OGA opened the fifteenth round of applications for the accreditation of observer organizations. Based on the review of the applications received, recommendations will be presented by the Secretariat to the Board for accrediting additional observer organizations through a decision taken between meetings.

147. OGA also managed correspondence with observers and will coordinate the Observer registration process to enable their participation in B.19.

2.8.4 **Facilitating and monitoring the implementation of the Information Disclosure Policy**

148. OGA facilitated the timely disclosure of environmental and social safeguards reports of funding proposals scheduled for the Board's consideration. Sixteen reports were submitted to the Board during the reporting period.

149. OGA also coordinated the Secretariat's responses to information requests under the Information Disclosure Policy. Four queries were responded to during the reporting period. The information disclosure policy web page continued to support the receipt of external inquiries through an electronic interface with access to the information disclosure request form.

150. Modalities for the qualitative and quantitative review of the live webcasting service of formal Board meetings, as mandated in decision B.12/35, paragraph (f), are expected to be presented to the Board for its consideration in 2018. OGA has made progress in its work on collecting and analysing quantitative and qualitative data for inclusion in the webcasting review mandated in decision B.12/35, paragraph (e). At B.18/01, paragraph (g), it was decided that formal meetings of the Board will continue to be webcast live until the end of 2019.

151. In collaboration with OGC, OGA continued to contribute to resolving matters related to information disclosure which arose in the negotiation of AMAs.

2.8.5 **OGA Board documents for 2017**

152. The 2017 Secretariat Work Programme listed the Board documents including policy documents that OGA would facilitate and develop. While the majority of OGA documents scheduled for 2017 were transmitted for Board consideration/published within the same year, the Board was unable consider some of the matters in its 2017 meetings. Consequently, these items slipped from the 2017 to the 2018 Board work plan. OGA will bring forward for Board consideration the documents for these pending matters in time for the Board meetings where they are to be considered. The table below lists those document published and those that slipped to the 2018 Board work plan pending Board consideration.

Table 5: OGA documents scheduled for Board consideration and/or publication in the Secretariat Work Programme for 2017

Documents transmitted for Board consideration, and published		Slipped to 2018 in the Board workplan	
1	The work plan of the Board for 2017	1	Outcomes of the review of guidelines on observer participation
2	An operational framework and options for the operationalization of the key elements of the operational framework on complementarity and coherence	2	Modalities for the qualitative and quantitative review of the webcasting service
3	Options for GCF support for collaborative research and development in developing countries	3	Recommendations on the review of the relevant disclosure requirements once the environmental and social management system is developed
4	Recommendations on further steps to enhance cooperation and coherence with the Technology Mechanism (added to the report of B.18)		
5	Expected work on options for collaborative research and development, and recommendations on collaboration with the Technology Mechanism following on from decision B.14/02 (to be addressed in 2018 through ToRs for an RFP to support climate technology incubators and accelerators, to be considered by the Board at B.20 (decision B.18/03, para. (c))		
6	The sixth report of the GCF to the COP		
7	Accreditation of observer organizations to the GCF		
8	Agendas for meetings of the Board and annotations to the agendas		
9	Reports of committees, panels and groups of the Board		
10	Decisions taken between Board meetings		
11	Dates and venues for the following meetings of the Board		
12	Decisions taken at meetings of the Board in 2017 (compendiums)		
13	Reports of the meetings of the Board in 2017		

2.9 Progress on matters related to the Office of Risk Management

2.9.1 Working with a risk consulting group to support and development of a risk policy and investment guidelines

153. Throughout the development of the risk management framework (RMF) as mandated by the Board, the Office of Risk Management and Compliance (ORMC) worked together with the external consulting firm, Oliver Wyman, to gather feedback from all relevant divisions within the Secretariat in order to draft the risk policies. Ongoing consultation was provided by the senior management team and the Risk Management Committee (RMC).

154. With support of the same external consulting firm, the ORMC has developed a set of draft Compliance related documents and policies, including the Compliance risk policy, to be presented to the Board for consideration at its twentieth meeting.

155. Through decision B.17/11, the Board approved the following components of the RMF:

- (a) Revised risk register;
- (b) Risk appetite statement;
- (c) Risk dashboard – requested further development for Board consideration; and
- (d) Risk guidelines for funding proposals.

156. Regarding compliance-related matters, the Board adopted the “Anti-Money Laundering and Countering the Financing of Terrorism Policy” through decision B.18/10 and requested the Head of the Independent Integrity Unit to develop the standards for the implementation of the Anti-Money Laundering and Countering the Financing of Terrorism Policy for consideration by the Board by B.20.¹⁹

2.9.2 Developing a statement of risk appetite and initiating implementation

157. Following the Board’s adoption of the first set of components of the RMF at its seventeenth meeting, the risk appetite statement has been implemented and specifies the tolerance levels for project-related and organizational risks. The risk guidelines for funding proposals aligns with the GCF mandate and supports the notion that GCF will actively take credit risks that other investors will not.

2.9.3 Developing and implementing initial rating methodologies to assess accredited entities’ ability to implement and execute a range of projects and programmes

158. The work on various scoring methodologies such as a climate impact score, a financial viability score and a methodology to assess AE ability to implement and execute a range of projects is ongoing. Pursuant to decision B.18/01, the Board adopted the work plan of the Board for 2018 and decided to postpone the consideration of risk rating models to its twentieth meeting.

¹⁹ Decision B.18/10, paragraph (a-b)

2.9.4 **Developing and implementing risk policies related to credit, markets and asset liability management**

159. ORMC has continued working on the subsequent components of the RMF under the guidance of the RMC and the following components of the RMF are presented at B.19 for consideration by the Board:

- (a) Risk dashboard – revised reporting on concentration (pending approval by the Board, quarterly publication of the risk dashboard will follow thereafter);
- (b) Non-financial risk policy;
- (c) Funding risk policy; and
- (d) Investment risk policy.

2.9.5 **Completing and operationalizing a “risk dashboard” summarizing the main risks and vulnerabilities of GCF**

160. Through decision B.17/11, the Board also requested the Secretariat to further develop the risk dashboard and its underlying methodologies as well as continue with the development of appropriate risk rating models and the remaining components of the RMF.

161. At B.18, the Board took note of document GCF/B.18/05 titled “GCF risk management framework: Proposal by the Risk Management Committee,” but did not take a decision under this item. Thus, no decision was made on the revised approach to reporting on concentration within the risk dashboard. Quarterly publication of the risk dashboard will follow thereafter, pending Board approval.

2.9.6 **Other cross-divisional collaboration contributions by ORMC during the reporting period include the following**

- (a) Throughout the reporting period, ORMC completed risk assessments for 56 funding proposals, 23 AMAs, and 8 FAAs, and provided risk assessments for 127 concept notes and 30 compliance assessments for short-listed applicants for MFS. Other cross-divisional collaboration included the ORMC contribution to the development and mobilization of the SAP, and reviewed and provided feedback on other team’s B.19 policy documents. As part of the second set of components of the RMF, the team developed and socialized the grant equivalent calculator throughout the Secretariat. The compliance team finalized the procurement process of due diligence software;
- (b) On behalf of the Board, ORMC facilitated the work of the Risk Management Committee. Team members participated in numerous Secretariat committees; and
- (c) Successfully recruited two Compliance Specialists, two Associate Professionals, and one Team Assistant as well as supported recruitment for other divisions.

2.10 Progress on matters related to the Office of the Internal Auditor

2.10.1 **To prepare a three-year internal audit plan focusing on 2017 for the approval of the Executive Director and begin to implement the plan**

162. The Office of the Internal Auditor (OIA) prepared a three-year risk-based internal audit plan for 2017-19, focusing on 2017. This was presented to and approved by the Executive Director, and OIA began to implement the plan as follows:

- (a) The detailed plan for 2017 included five audits of units in the Secretariat.

- (i) One of these (CPD) has been completed;
 - (ii) The fieldwork for the other four (DMA; Finance Unit of DSS; Human Resources Unit of DSS; PSF) has been performed and the reports are being finalized;
 - (iii) An additional audit (Review and Selection Process of the MFS RFP) was performed with the agreement of the Executive Director. The report for this audit is being finalized.
- (b) The detailed plan for 2017 included a number of advisory engagements (i.e. reviews of SOPs and methodologies as they were developed).
- (i) OIA reviewed nine SOPs and methodologies (GCF credit card; travel; payroll; bank reconciliation; petty cash; budgeting; procurement; information security; KYC), as well as the templates for AMAs and FAAs;
 - (ii) OIA started a review of the GCF decision-making processes; and
 - (iii) Together with ORMC, OIA is working to develop policies and procedures to implement the COSO Framework for Internal Control within GCF.

2.10.2 **To draft an audit manual, tools and templates and select and deploy audit software**

163. OIA has:

- (a) Developed tools and templates to support its audits;
- (b) Drafted an audit manual, which it will finalize in 2018;
- (c) Identified, procured and installed audit software, which it will implement in 2018; and
- (d) Drafted a policy on sampling.

164. In addition, OIA has:

- (a) Recruited a team, consisting of three technical staff, a team assistant and an intern, and ensured that they obtained the training and coaching needed to perform their work in accordance with international standards and best practice;
- (b) Re-established the Internal Audit Working Group to ensure that its work fully supports and is supported by the Secretariat;
- (c) Joined the United Nations network of Internal Auditors;
- (d) Organized training in the COSO Framework for Internal Control for its own staff and for other members of the Secretariat;
- (e) Followed up the implementation of recommendations made in its audits and those of the external auditor; and
- (f) Developed a Risk Self-assessment tool and internal control questionnaire.

Annex I: Status of staffing

1. The Secretariat has consistently maintained its momentum on recruitment, with the increase in staff count per board meeting as follows:

Table 1: Staff count from B.12 to B.19

	B.12	B.13	B.14	B.15	B.16	B.17	B.18	B.19
Number of staff	45	45	60	78	90	105	134	164
% increase from B.12		0	33	73	100	133	198	264

2. The breakdown of staff count based on international/administrative staff, developed/developing countries as well as gender balance is as follows:

Table 2: Staff count by level, geographical distribution, and gender balance

Filled positions		Geographical distribution		Gender balance	
Level	Headcount	Developed	Developing	Male	Female
IS-level	128	50 (39%)	78 (61%)	77 (60%)	51 (40%)
AS-level	36	7 (19%)	29 (81%)	13 (36%)	23 (64%)
Total	164	57 (35%)	107 (65%)	90 (55%)	74 (45%)

Annex II: 2017 Missions – outcomes and lessons learned

1. Throughout the course of 2017 the Secretariat has been actively engaged in a series of outreach activities and missions which have directly contributed to the goals outlined in the work programme of the Secretariat. These missions and activities have been key to:
 - (a) Lifting the profile of GCF and building understanding of its operational modalities;
 - (b) Providing on the ground advice and assistance to national designated authorities (NDAs), focal points and entities;
 - (c) Expediting business processes such as the review, approval and monitoring of readiness, project preparation and funding proposals;
 - (d) Building wide-reaching partnerships and facilitating knowledge exchange; and
 - (e) Strengthening complementarity with other climate finance delivery channels.
2. The Secretariat's missions have entailed a variety of outward-focused activities, such as:
 - (a) Missions to countries to advance the implementation of readiness activities, support with country programming and strengthen engagement with GCF across national stakeholders;
 - (b) Missions to entities on the development of entity work programmes, conclusion of accreditation master agreements (AMAs) and funded activity agreement (FAAs), accelerating funding proposal development and enhancing direct access;
 - (c) Outreach and networking contributing to global, thematic or regional forums relevant to GCF results areas and building partnerships of relevance to the GCF operations; and
 - (d) Interaction with the United Nations Framework Convention on Climate Change (UNFCCC), its subsidiary bodies and the other climate finance delivery channels.
3. The nature of these activities, their objectives and outcomes are further outlined below.

2.10.3 Country engagement and structured dialogues

4. Teams across the Secretariat have been active in directly supporting national activities related to: country programming, project prioritization and development and identification of potential direct access entities (DAEs). Related missions have involved:
 - (a) Attending national stakeholder consultation workshops on kick-starting engagement with GCF and country programme validation events;
 - (b) Organizing a series of regional structured dialogues bringing together countries, AEs and relevant partners in the Pacific, Asia, Caribbean and Eastern Europe and Central Asia;
 - (c) Cross-secretariat missions leading on dialogues with ministries, DAEs and national agencies, supporting project launches in Namibia, Ecuador, Peru and Bhutan; and
 - (d) A cross-Secretariat multi-country mission in the Caribbean targeting Antigua and Barbuda, Dominica, Barbados, Grenada and Haiti, following up on engagement from the structured dialogues.
5. These missions have enabled the Secretariat to:
 - (a) Get direct understanding of national priorities, grasp the diversity of capacity gaps and assess opportunities for GCF intervention;
 - (b) Observe progress on country programming, support project prioritization and the identification of direct access entities;

- (c) Inform a wide range of stakeholders of GCF processes and operational modalities; and
 - (d) Map and engage key national stakeholders around key climate issues.
6. A series of key outcomes and lessons have emerged, as follows:
- (a) Country ownership is key for advancing priorities at national level, such as setting national standards and agendas and clearly communicating them to AEs and other relevant partners. Countries often request clarification of project matters directly from the secretariat than through international entities, to enhance country ownership;
 - (b) Countries are requesting more guidance from GCF as well as continuous on-going support. They express high interest in learning about best practices, through exchange and interaction with other NDAs and DAEs. Structured dialogues have proved to be highly useful in facilitating this knowledge exchange and highlighting champions that are trailblazing specific practices (e.g. donor roundtables for climate finance, legislation for off-grid renewable energy). They have also allowed countries, entities and the Secretariat to explore the replicability of specific innovative practices in national contexts and assisted with clarifying issues such as whether local financial institutions can be accredited, which national entities are most suitable to act as readiness delivery partners and what are the standard practices for developing a country programme;
 - (c) In the context of readiness, countries expressed interest in maintaining a constant flow of readiness funds available. Capacity-building remains a top priority and countries said that it is important to define at which governance level is capacity building needed, as this may require strengthening bodies and departments beyond the NDA or focal point as well as attracting and retaining qualified technical expertise;
 - (d) A number of countries are in the process of setting up national climate funds and they expressed interest in both learning from GCF and in the possibility of GCF directly financing national projects or activities through their national funds. Regional meetings have also surfaced interest in the potential of regional climate funds. Several countries also expressed interest in green banking legislation, green Islamic finance or setting up green banks and requested GCF support to do so. Readiness support could increasingly assist with the development of climate specific bodies or institutions as well as the elaboration of climate regulations, policies or laws;
 - (e) Countries are very broadly interested in the Private Sector Facility and could benefit from further clarity on how to fully utilize it. There is scope for targeted readiness support for engaging their national private markets. SIDS, in particular, present a dispersed and small scale private sector and face several challenges in engaging their national private sector. A series of options have been explored, such as: (i) using business councils as an entry point for private sector engagement, (ii) leveraging regional opportunities to unlock potential economies of scale and deploying guarantee facilities for power purchasing agreements (PPAs) and risk-sharing facilities with local commercial banks as possible interventions for GCF in relation to the private sector, (iii) integrating regulation so as to attract regional transactions, given that private capital leans towards the same size of investment funds under a single regulation. The Caribbean structured dialogues has paved the way for the development of an approved regional Readiness Proposal on mobilizing private sector;
 - (f) A number of sectoral ideas have emerged at national level, countries highlighting needs such as off grid RE, green maritime transport and electrification of transport in the SIDS while third-party project developers present ideas around electric vehicles with solar charging stations, utility scale solar rooftop projects, and smart agriculture projects. In the Caribbean, the issue of defining climate elements was a question prominent on all countries' agenda and it led to an understanding that it is crucial to strengthen climate

data. This further evolved in a group of countries cooperating on a regional readiness proposal on strengthening climate data and knowledge systems;

- (g) As countries are developing their country programmes, questions are posed on how to prioritize projects. Within the context of the country programme countries are also consistently inquiring on how they can best prioritize projects for GCF and how to identify most suitable entities for their priorities; and
- (h) A series of stakeholders have highlighted the need for more regular discussion between NDAs, the Secretariat and Board members.

2.10.4 Entity engagement

7. The Secretariat has been engaging with DAEs and international AEs, which are actively developing a pipeline for GCF and also supported national dialogues for the identification of potential direct access entities. The scope and nature of these engagements are closely linked to evolving the existing relationship between GCF and the AEs. Related missions have entailed:

- (a) Negotiations to progress the priority 2017 Secretariat deliverable of finalizing as many AMAs and FAAs as possible, with over 20 AMAs signed in 2017 and signings with the World Bank (WB), National Bank for Agriculture and Rural Development (NABARD), African Development Bank (AfDB) directly supported by the office of the Executive Director;
- (b) The advancement of specific project proposals;
- (c) Building an understanding of GCF business model and processes and the fundamental centrality of climate impact;
- (d) Engagement on pipeline, including undertakings to engage at an earlier stage of pipeline development with international AEs;
- (e) Strengthening institutional relationships including with sector specialists and business units, with some entities now formalizing single GCF contact points;
- (f) Providing support for DAEs;
- (g) Strengthening engagement between countries and entities; and
- (h) Engagement with potential entities seeking accreditation and other forms of partnership.

8. GCF had a number of targeted sessions with international agencies such as the WB, United Nations Development Programme (UNDP), Asian Development Bank (ADB) and Inter-American Development Bank (IDB) on overall partnership, project prioritization and sequencing. Engagement with DAEs, such as the European Investment Fund (EIF), Secretariat of the Pacific Regional Environment Programme (SPREP), the Development Bank of Latin America (CAF), Convention for Biological Diversity (CBD), Micronesia Conservation Trust (MCT) and National Environment Management Authority of Kenya (NEMA), has focused on kick-starting their collaboration with GCF by communicating GCF criteria and guidance. A number of entities are proposing joint project sessions to assist with the development of funding proposals in line with GCF standards and criteria.

9. Through the series of missions, the Secretariat has:

- (a) Consolidated and enhanced its business network and portfolio;
- (b) Advanced its understanding of the core expertise of AEs, provided advice on projects vis-à-vis GCF investment criteria, and explored opportunities for co-financing, innovative financing structures, scaling up existing initiatives and mobilizing funds at scale;

- (c) Improved understanding of incoming pipelines of projects across GCF strategic impact areas, country programming priorities, and gauged market potential to drive transformation and paradigm shift; and
- (d) Gathered insights on portfolio gaps, for example around transportation, which remains a high potential intervention area and is frequently discussed yet is currently under targeted in the GCF portfolio. Projects have emerged around specific transportation system components, but it is now more widely understood that transformation in this sector requires interventions across the entire value chain, from enabling environment and regulatory framework, carbon-free vehicles and their related infrastructure to broader societal behavioural changes.

2.10.5 **Global fora and sectoral, regional or thematic outreach and partnerships**

10. The Secretariat represented GCF in a series of global summits and regional fora and meetings. The Executive Director led GCF engagement at global fora such as World Water Week, New York Climate Week and the One Planet Summit, to share GCF progress to date, strengthen the profile of GCF and understanding of the GCF business model and strategic priorities. Secretariat staff also attended regional meetings, such as the Commission des Forêts d'Afrique Centrale (COMIFAC), the Ministerial Conference Delta Coalition Conference, the Dhaka Water Conference, the Central Asia Regional Economic Cooperation (CAREC) energy sector meeting, African Regional Dialogue on Nationally Determined Contribution, Alliance of Small Island States (AOSIS) Ministerial on Initiative for Renewable Island Energy, and private sector-led events gathering key institutional investors, banks and funds.

11. These engagements provided insights into specific regions, markets or financial and sectoral trends and in parallel shed a light on perceptions of GCF. They allowed GCF to widen its networks and raise visibility of its work, and have highlighted the need for consistent outward strategies and messaging. More specifically, participation in:

- (a) Global fora helped raise the profile of GCF and visibility of progress to date, cemented its standing as a key climate finance delivery channel, established high-level relationships and enabled knowledge exchange on transformation and paradigm shift in the climate field;
- (b) Sectoral and thematic meetings allowed GCF to highlight unrealized opportunities for directing finance, technology and capacity; for example, the potential for attracting private sector investment and know-how into adaptation investments in the water sector;
- (c) Thematic and regional meetings organized by other institutions and which involve different focal points than those of GCF served as an opportunity to clarify roles and responsibilities of the NDA vis-à-vis other national departments;
- (d) Private sector engagement advanced conversations on innovative use of financial instruments and enabled GCF to advocate on the further mainstreaming of climate finance and its role as a driver for resilience and long-term sustainable growth. One example is of climate risk insurance pilots driven by other players and which could expand regionally;
- (e) In communication with stakeholders such as institutional investors an opportunity emerged for GCF to promote the message of long-term returns on investments beyond short term profits and linking existing finance sources to green finance;
- (f) Third-tier networks which are not currently directly working with GCF from an AE or delivery partner role express substantial interest in working with GCF and inquire on alternatives to do so. Project developers are a large group with a solid interest in GCF.

However, channels of working with GCF are not immediately clear and there is a perception that engaging with GCF is a complex and highly time-consuming process; and

- (g) At the level of the multilateral development banks, it has been signalled that there is a greater need for predictability of GCF funding in the market as it might lead to more coherent and strategic national programming.

2.10.6 UNFCCC and related climate finance delivery channels

12. Engagement with the UNFCCC addressed the core mandate of GCF as the financial mechanism of the convention, enhanced responsiveness to Parties' guidance and promoted the principle of complementarity and coherence within the climate finance landscape. This has included continuous dialogue with:

- (a) UNFCCC and its thematic bodies on responding to Parties' guidance, increasing awareness of the role of GCF in supporting the UNFCCC and the Paris Agreement, including nationally appropriate mitigation actions (NAMAs), nationally determined contributions (NDCs), and national adaptation plans (NAPs); and
- (b) Other climate finance delivery channels, looking at complementarity and coherence, improved navigability for countries and opportunities for scaling-up.

13. The Secretariat participated in the 23rd Conference of the Parties to the UNFCCC (COP23), the pre-COP, and the 46th Subsidiary Bodies meetings in Bonn. Throughout 2017 the Secretariat also actively participated in meetings of the thematic bodies under the UNFCCC and provided technical inputs to the Least Developed Countries Expert Group (LEG), the Adaptation Committee (AC), the Standing Committee on Finance (SCF), the Technology Executive Committee (TEC), and the Climate Technology Centre and Network (CTCN).

14. Cross-Secretariat participation at COP23 allowed for direct engagement and bilateral meetings with Parties, numerous countries, and entities, raised the profile of GCF and demonstrated progress made in implementing guidance from the Parties. Secretariat staff were also on hand to respond to queries under relevant negotiating items. The Secretariat organized a number of side events to update and inform COP attendees on GCF progress in 2017; a joint side event with Global Environment Facility (GEF) on the implementation of the Paris Agreement; the annual meeting between GCF and the thematic bodies under UNFCCC on direct access and experience with private sector in SIDS and least developed countries (LDCs); a technical workshop on national adaptation plans and adaptation planning processes; and co-hosted the Day of Direct Access Entities.

15. GCF Secretariat staff participated in more than 50 COP-related events throughout the two weeks. The Secretariat also signed several key operational and legal agreements: seven AMAs, two FAAs, two readiness grant agreements, and two bilateral privileges and immunities agreements. GCF hosted over 60 high-level bilateral meetings with developing country Parties, an additional 36 bilateral meetings with entities, and held briefings for G-77 & China, African Group, LDC Group, Environmental Integrity Group and AOSIS Group.

16. In 2017 the Secretariat engaged with the Standing Committee on Finance (SCF) on draft COP guidance to GCF and the 6th Review of the Financial Mechanism technical report. The Secretariat also participated in the 2017 SCF forum in Morocco on mobilizing finance for climate-resilient infrastructure and provided technical inputs to plenary and breakout group discussions. LEG meetings took an overall look at NAP guidelines and access to GCF for readiness and adaptation planning support. The Secretariat has been participating in meetings of the CTCN and the TEC regarding technology issues. Both the CTCN and the TEC also provided valuable inputs to the B.18 paper that served as the basis for decision B.18/03 (request for proposal, or RFP, for technology incubators and accelerators). The engagement highlighted that in those instances where the UNFCCC focal points differ from the GCF NDAs or focal points for

further inter-institutional coordination on sharing adaptation knowledge and socializing best practices and guidelines.

17. The Secretariat has also attended meetings of other climate finance delivery channels, such as the Climate Investment Funds (CIFs) Scaling Up Renewable Energy in Low Income Countries Program (SREP) Pilot Country Meeting, the GEF Expanded Constituency Meetings for Asia and Pacific, the GEF 5 Replenishment Meeting and meetings of the Adaptation Fund. In line with decision B.17/04, GCF also convened in 2017 the first Annual Dialogue with Climate Finance Delivery Channels with representatives of the governing bodies and staff of GCF, GEF, the Adaptation Fund and the CIFs. The dialogue produced an enhanced understanding of options for advancing on complementarity for 2018, as well as areas requiring further consideration, including at the level of governance bodies. The annual meeting agreed to organize a joint COP24 side event and a technical meeting in early 2018 to further refine actions for the year.

18. Overall, the engagement with other climate finance channels facilitated a broader understanding of country plans, ensuring there is complementarity and coherence in developing national strategies for GCF. Participating in meetings such as the CIF SREP Annual Meeting or the GEF expanded constituency meetings has provided clarity on CIF and GEF programming and offered insights into partnerships to be explored or potential pilot countries for joint programming.

19. These interactions provided a platform for questions on how countries can ensure that the processes and lessons learned arising from relations with these funds are incorporated into NDC implementation plans and what links could be drawn to GCF country programming. The Secretariat has also attended meetings of other climate finance delivery channels, such as the CIF Scaling Up Renewable Energy in Low Income Countries Program (SREP) Pilot Country Meeting, the GEF Expanded Constituency Meetings for Asia and Pacific, the GEF 5 Replenishment Meeting and meetings of the Adaptation Fund.

2.10.7 **Conclusion and steps forward**

20. The Secretariat receives a very large number of invitations to attend global, regional and national events, and recognises the substantial interest from countries, entities and partners in engaging directly with Secretariat staff. This level of demand, together with the limited regional presence of the Secretariat, have highlight the need for a comprehensive and strategic 2018 outreach plan, which will help the Secretariat prioritize and balance mission travel with other operational business. Missions to be undertaken by the Secretariat in 2018 will be calibrated against a set of priority action areas to implement the Secretariat's 2018 work programme and advance the GCF strategic plan. Specifically:

- (a) The Secretariat will continue to create opportunities for all interested developing countries to engage directly and strategically with staff, through regional structured dialogues and strong Secretariat presence at key global events such as the UNFCCC COP. The Secretariat will also consider opportunities for multi-country engagement, informed by lessons from the Secretariat's first major multi-country mission to the Caribbean in late 2017;
- (b) Building on the above, the Secretariat will intensify engagement through missions and other outreach with a target group of at least 20 developing countries, to advance country programming, help maximise the impact of readiness support, and improve stakeholder coordination and complementarity and coherence. This targeted engagement will help the Secretariat evolve country programming tools and guidance, and capture best practices and lessons learned, with benefits for strengthened country support across the board over time;

- (c) Entity relationship management teams will be established to engage holistically with entities through the processes of accreditation, pipeline and funding proposal development and review, and post-approval arrangements. In line with the Secretariat's 2018 work programme, missions will target support for at least fifteen direct access entities to develop quality funding proposals, and strengthen upstream pipeline development with 10 international access entities. This will include engagement with national and international private sector entities, including to realize funding proposals from the MFS RFP;
- (d) The Secretariat will continue to accelerate implementation of projects and programmes throughout 2018. To this end staff will undertake missions to represent GCF at project launches, monitor and evaluate performance and any emerging risks, and develop case studies and communications materials to showcase progress happening on the ground;
- (e) Cross-Secretariat missions will be undertaken to strengthen complementarity and coherence with other climate finance delivery channels. This will focus on aligning programming tools and strategic planning, facilitate knowledge exchange, and seek to improve the navigability of finance and readiness sources for developing countries;
- (f) GCF will continue to be represented at UNFCCC events and meetings of thematic bodies, and will participate at a high-level in the UNFCCC Talanoa Dialogue, high-level ministerial dialogues on climate finance, and long-term climate finance in-session workshops;
- (g) The Secretariat will also identify where missions provide strategic opportunities to solidify partner networks, develop communities of practice, raise the profile of GCF among new stakeholder groups, or harness ideas, intelligence and expertise to advance its strategic priorities; and
- (h) The Executive Director will continue to spearhead the international presence of GCF at high level events, informing the international community of GCF progress and strategic directions, and ensuring GCF is networked into other relevant international agendas.

Annex III: Status update on the request for proposals on mobilizing funds at scale and lessons learned

I. Introduction

1. The Board, in decision B.16/03, paragraph (a), requested the Secretariat to issue the request for proposals (RFP) to solicit responses from accredited entities (AEs) and potential AEs to establish and manage pilot programmes for mobilizing funds at scale (MFS) and decided to allocate up to USD 500 million over the course of the initial mobilization period for this programme. The Board also decided to consider proposals submitted under this RFP as part of the wider portfolio of GCF, and through the same modalities as standard proposals.

2. This document sets out a summary of the evaluation process under the RFP, a description of steps that are currently being undertaken following the shortlisting process, and next steps. Section II contains full details of the communication and evaluation conducted under the RFP. Section III consists of the list of concept notes that have been shortlisted under the RFP, whilst Section IV contains the Secretariat's snapshot of lessons learned through the RFP process.

1.1.1 Evaluation of submissions under the RFP

3. The Secretariat published the RFP on 25th May 2017, and undertook a coordinated communications and stakeholder engagement campaign to encourage a broad range of high quality submissions.

4. The RFP closed on August 30, 2017 and received 350 concept notes. The Secretariat subsequently undertook a detailed, three-level evaluation process, under the terms of reference specified within the RFP.

5. The **first-level review** screened out concept notes based on completeness and repetitiveness. Out of 350 concept notes, 259 were advanced for further evaluation. The total financial value of the 259 complete concept notes received corresponds to a total of around USD 43 billion, amounting to a total of USD 19 billion requested from GCF. This is equivalent to an oversubscription of 38 times the original value of USD 500 million. Out of these projects, around 20 per cent came from accredited entities, while the remaining came from entities that are not accredited or still in the accreditation process.

6. The **second-level review** screened concept notes on the basis of the pass/fail criteria specified within the RFP, namely alignment with country needs and priorities, correspondence with the eight strategic impact areas of GCF, and mobilization of private sector investment as an element of the programme itself. Following this review, 125 concept notes were advanced for the third level evaluation.

7. The **third-level review** evaluated the remaining concept notes on the basis of the scorecard of criteria contained within the RFP. This final review process resulted in the shortlisting of 30 concept notes to be developed into full funding proposals.

8. These top 30 concept notes shortlisted by the Secretariat are targeting investments in 50 developing countries, representing a total project cost of USD 14.7 billion, and requesting USD 2.8 billion from GCF. This represents a mobilization ratio of total project cost to GCF funding in excess to USD 5 to USD 1.

- (a) Eleven (37 per cent) of the shortlisted concept notes come from an accredited entity;
- (b) Five (17 per cent) come from an entity currently undergoing the accreditation process with GCF; and

- (c) Fourteen entities (47 per cent) had not initiated the accreditation process at the time of submission.
9. Of these top 30 concept notes, the top 10 represent a total project cost of USD 7.4 billion and are requesting USD 1.2 billion from GCF. This represents a mobilization ratio of total project cost to GCF funding of in excess of USD 6 to USD 1.
- (a) Four (40 per cent) of the top ten shortlisted concept notes come from an accredited entity;
- (b) Zero (0 per cent) come from an entity currently undergoing the accreditation process with GCF; and
- (c) Six entities (60 per cent) had not initiated the accreditation process at the time of submission.
10. In the event that all of the top 30 concept notes progress to funding proposals, alternative funding equal to 80 per cent of that requested to GCF would need to be found from alternative sources to restrict the amount from GCF to USD 500 million. In the event that only the top 10 concept notes progress to funding proposals, alternative funding equal to 60 per cent of that requested to GCF would need to be found from alternative sources to restrict the amount from GCF to USD 500 million.
11. Details of the communications and stakeholder engagement campaign, the geographic and sectoral breakdown of all the applicants, and of the three-level evaluation process are provided in Section II. The full list of shortlisted concept notes is contained in Section III.
12. Following the shortlisting process, the Secretariat has prepared a snapshot of lessons learned from the RFP, including through soliciting feedback from two external organizations that were involved in the review process. The snapshot includes an evaluation of how future RFPs could be strengthened. The snapshot of lessons learned is contained in Section III.

1.1.2 Next steps

13. To progress the shortlisting of concept notes to full funding proposals and communicate the preliminary results of the RFP, the Secretariat has:
- (a) Advised successful proponents and the relevant national designated authorities (NDAs) of the shortlisting of their concept note(s), and completed basic know your customer checks;²⁰
- (b) Informed 229 non-shortlisted proponents; and the Secretariat will nevertheless continue working on non-shortlisted concept notes that were insufficiently mature for shortlisting;
- (c) Announced results of the shortlisting in aggregate terms during the 12.12 summit in Paris, noting that the next step will be the development of full funding proposals for Board approval;
- (d) Sought approval from successful proponents for publication of concept notes on the GCF website, in line with Board Decision B.17/09;
- (e) Identified concept notes which prospectively may be developed into full funding proposals for B.20/B.21 and prioritized commencing work on these immediately; and

²⁰ Basic KYC checks have been completed on 26 entities; 3 are partially complete pending requisite documentation from short listed proponents and 1 proponent has not submitted any KYC information.

- (f) For concept notes from or supported by an existing AE (requesting USD 1.3 billion), commence discussions on whether the AEs would be interested in submitting a funding proposal including through the regular project approval process.
14. To maximize the potential to realize the ideas within the shortlisted concept notes and to ensure that proposals from entities that are not yet accredited can be considered by the Board under the RFP, we will prioritize quality.
15. Given that there may still be an oversubscription of the USD 500 million allocation, and aligned with the capacity constraints of GCF, the Secretariat may seek alternative sources of financing for some or all of these proposals. There will also be a pressing need to prioritize accreditation of up to 19 private sector proponents of concept notes that are not yet accredited under GCF.

II. Details of the RFP process and outcomes

2.1 Institutional strategy

2.1.1 Ownership and stewardship

16. Under the overall supervision of the Secretariat's Senior Management Team (SMT), a dedicated team was established under the Private Sector Facility to carry out the day-to-day assignments related to the RFP MFS. The tasks handled by the RFP team varied from responding to both written and verbal enquiries on daily basis, guiding potential project sponsors in developing concept notes, managing outreach activities, and providing regular updates to Senior Management. In addition, the RFP team, with guidance from the Director of the Private Sector Facility, the team facilitated the overall review process for all the concept notes submitted under the RFP MFS, including procurement and staffing for professional services to support in specialized tasks under the RFP.

2.1.2 Stakeholder engagement

17. Throughout the process, the Secretariat had an effective engagement with GCF NDAs and focal points. Detailed information on the RFP was sent to NDAs and focal points as well as the diplomatic missions in Korea to raise awareness and seek the support of NDAs and focal points in reaching out to local entities to take part in the RFP MFS. This approach has largely contributed to the success of the RFP MFS, in which a large number of concept notes were submitted by local private sector entities.

2.1.3 Promotion and communication strategy

18. The Secretariat has undertaken several promotional activities to raise awareness about this RFP among prospective private sector organizations since its launch:
- (a) The RFP microsite received over 13,000 visits since its launch. 7,100 page views over one week, with over 30 per cent views from developing countries;
 - (b) The secretariat also received over 200 emails and 150 phone calls for inquiries. The questions received about the RFP and the Secretariat's answers have been anonymized and uploaded on the website and updated regularly;
 - (c) A promotional video on the RFP was also made available at the website; and
 - (d) The RFP was presented and promoted during official missions, including the structured dialogues.

2.1.4 Staffing and logistical arrangements

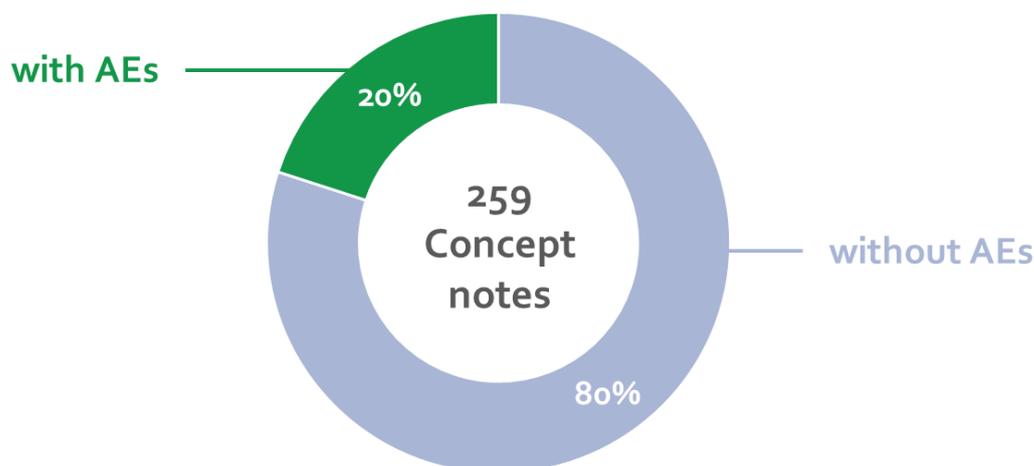
19. As part of the Private Sector Facility, a team comprised of 1 Senior Consultant and 2 analysts was dedicated to facilitate the day-to-day work of the RFP MFS. In addition to the support provided by existing in-house staff within the Secretariat, two (2) climate expert organizations were hired through a procurement process, namely, Global Green Growth Institute (GGGI) and Climate Analytics (CA) to provide climate specialized support in the review and selection of concept notes submitted under the RFP MFS.

2.2 Campaign results and analysis

2.2.1 Total financial value and share of accredited entities

20. The total financial value of the 259 concept notes received corresponds to a total of around USD 43 billion, corresponds to a total amount of USD 19 billion requested from GCF, oversubscribing 38 times the original value of USD 500 million. Out of these projects, around 20 per cent came from accredited entities, while the remaining came from entities that are not accredited or still in the accreditation process.

Figure 1. Project source of the 259 concept notes received



21. A total of 125 concept notes passed the first selection. Out of these, 25 per cent came from or supported by a GCF AE, while the remaining 75 per cent came from an entity that still has to be accredited or that is currently under accreditation process.

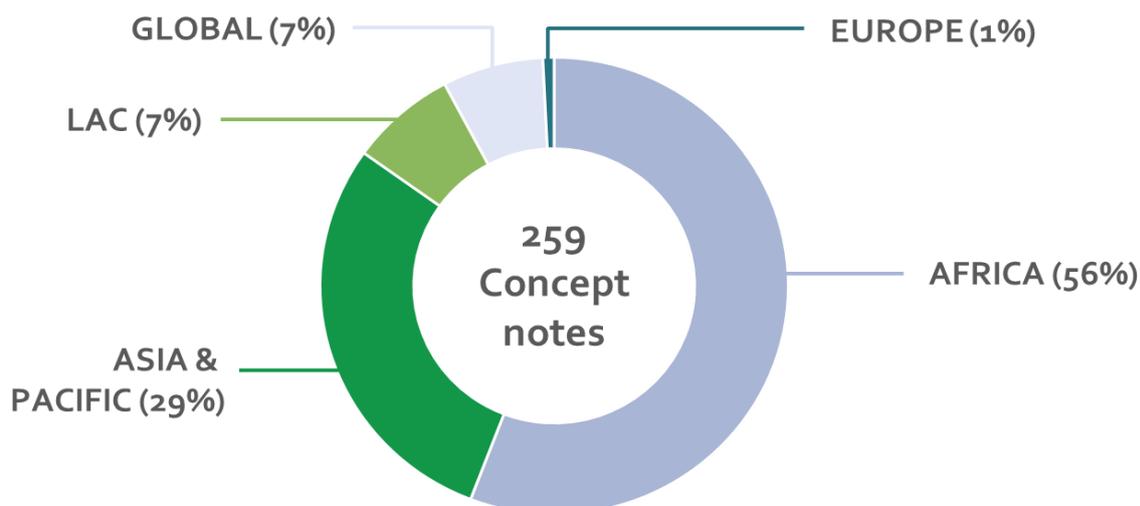
22. Finally, 30 concept notes were shortlisted, of which 11 of them came from an accredited entity (37 per cent). Out of the remaining 19 concept notes, 5 (17 per cent) came from an entity currently undergoing accreditation process with GCF, while the remaining 14 entities (47 per cent) did not initiate the accreditation process at the time of submission.

23. This data shows us how, despite the slight increase in the share of concept notes coming from accredited entities throughout the different stages of the selection process, the projects coming from entities still not accredited to GCF represented more than two-thirds of the overall projects submitted (80 per cent) and a consistent majority of the projects selected (around 63). This is a pivotal indicator of the success of the request for proposal in mobilizing funding at scale.

2.2.2 Regional distribution and impact areas

24. The regional distribution of concept notes submitted presented more than half of the projects coming from Africa (56 per cent), around a third from the Asia and Pacific region (29 per cent) and only (7 per cent) from Latin America and the Caribbean and (1 per cent) from the European region. The remaining 7 per cent were global projects, targeting more regions at once.

Figure 2. Regional distribution of 259 concept notes received



25. Among the 30 shortlisted ones, the regional distribution became slightly more diverse, with less representation from Europe, the share of regional distribution had 23 per cent of projects coming from Africa, 33 per cent from Asia, and about 14 per cent from Latin America and the Caribbean. The remaining 30 per cent were global projects.

Figure 3. Regional distribution of Top 30 shortlisted concept notes



26. The distribution of impact areas reveals the ambitious targets of the projects submitted. Out of the 259 concept notes selected, more than half (57 per cent) had three or more impact areas, signifying very diverse projects with a wide spectrum of climate targets. In addition, the type of intervention (mitigation/adaptation) targeted by the concept notes submitted was relatively well-distributed, with about 53 per cent of cross-cutting projects, 37 per cent mitigation and 10 per cent adaptation.

2.3 Evaluation structure and process

2.3.1 Evaluation process

27. The Secretariat followed a three-tier review process following the Board-agreed evaluation scorecard. The review process involved four GCF operational divisions, two external climate expert organizations – Global Green Growth Institute (GGGI) and Conservation International (CI), who covered a number of areas such as analyzing and providing guidance on the investment rationale, climate narrative, link to country needs, and gender. In addition, in order to maintain transparency and best practice, GCF Internal Audit and Compliance were involved throughout the process. At every milestone, the RFP Team presented the interim results to the SMT and sought guidance.

28. The evaluation process took place from 31 August until 20 November 2017.

2.4 Outcomes and results

2.4.1 First-level review

29. The first level review was intended to screen concept notes submitted based on completeness and repetitiveness. Out of 350 concept notes, 259 concept notes were put fourth for further screening.

2.4.2 Second-level review

30. The second level review involved three GCF operational divisions including country programming, mitigation and adaptation division, and Private Sector Facility. Concept notes were screened based on the first question (pass/fail) from the board-agreed scorecard. 259 concept notes were screened based on the following:

- (a) The activity proposed in the programme must first and foremost fit in the needs and state priorities of the country in which it will be issued;
- (b) The activity must fall within the eight strategic impact areas of GCF; and
- (c) The activity must mobilize private sector investment as an element of the programme itself, and GCF contribution should not be restricted to preparation for future private sector investment.

2.4.3 Third-level review

31. The third level review involved an expanded number of GCF operational divisions including country programming, mitigation and adaptation division, risk and Private Sector Facility. Out of 259 concept notes, 125 concept notes were screened following the 10 remaining questions from the Board-agreed scorecard. Concept notes were screened as follows:

- (a) **Programme design:** a) A detailed strategy, backed by industry and market research, which outlines the rationale for the targeted activity and the project's viability; b) The project/programme's ability to implement the proposed activities and deliver results in a timely manner; c) Consultation with local stakeholders including civil society organizations, NGOs, and local government and private sector actors; and d) A theory of change, articulating how the impact of the programme will move the participating countries toward their climate change goals.
- (b) **Implementing entity readiness:** a) Implementing entities can be accredited with GCF, work in partnership with entities accredited with GCF, or intend to apply for

accreditation. For those that intend to apply for accreditation, their current portfolio of work should reflect alignment with GCF policies and standards; b) The implementing entity must demonstrate an existing relationship with local private sector institutions with which it will be working and provide a track record for its activities in the targeted area; and c) The implementing entity must show evidence of successful ability to use a range of financial instruments, and a track record demonstrating their work in the proposed area of activity.

- (c) **Leverage:** a) For every USD 1 of GCF contribution, maximize the private sector investment; b) For every USD 1 of public and/or non-profit contribution, maximize the private sector investment.
- (d) **Minimum concessionality**²¹: Demonstrate that the request for GCF support entails the effective use of concessionality, and minimum concession required, to render the project feasible.
- (e) **Regulatory reform or development:** Will the programme prompt a positive change in the market or regulatory environment that will enable future investment into climate activity?
- (f) **Institutional capacity-building:** Will the programme develop institutional capacity in local markets for further investments in climate activity?
- (g) **Innovation:** a) Will the programme encourage innovative climate solutions? b) Will the programme include new financial products and services?
- (h) **Replicability and regional reach:** a) Can this or a similar programme be replicated in the future without GCF participation? b) Does the programme have regional impact?
- (i) **Crowding in new investors:** Does the programme attract first-time investors to climate activity or to the country?
- (j) **Benefits to the bottom of the pyramid:** a) Is the programme located in vulnerable countries, including LDCs and SIDS? b) Does the programme result in significant benefits to the bottom of the pyramid?

2.4.4 Senior management review

32. Following the third level review and selection process, the Secretariat short-listed the top 30 concept notes based on the Board-agreed evaluation score card for management review.

2.4.5 Top 30 concept notes

33. The top 30 concept notes shortlisted by the Secretariat are targeting investments in 50 developing countries, representing a total project cost of USD 14.7 billion, and requesting USD 2.8 billion from GCF. This represents a mobilization ratio of GCF funding to total project cost in excess to USD 5 to USD 1. Of these 30 concept notes:

- (a) Eleven concepts notes, requesting USD 1.3 billion from GCF, are from or supported by GCF AEs;
- (b) Five more concept notes, requesting USD 0.4 billion from GCF, have been identified to be developed by entities that are already in the GCF accreditation pipeline; and
- (c) The remaining 14 concept notes, amounting to USD 1.1 billion are from private sector entities that require GCF accreditation.

²¹ Concessionality was based on the level of grant requested as a percentage of project cost.

34. A summary of the top 30 concept notes can be found in section III of this document.

2.4.6 **Impact potential of shortlisted concept notes**

35. With the support of climate analytics, a thorough analysis was conducted for the top 30 concept notes' project expected performance against GCF investment criteria. A summary of the analysis was prepared and shared with the GCF SMT.

III. Summary of the top 30 concept notes

36. The following list describes the concept notes that have been selected for development into fully funded project proposals following their submission under the Mobilising Funds at Scale Request for Proposals issued by the Green Climate Fund.

37. Further details of this RFP can be found on the website: www.greenclimate.fund/500M

Table 1: Summary of the top 30 concept notes

CN	Entity / Sponsor	Country	Title	Project Summary
21	AFD	Global	Common risk Mitigation Mechanism (CRMM)	A common risk mitigation mechanism to scale-up solar photovoltaic investments in developing countries, including LDCs. This innovative platform is aimed at providing these countries with guarantees, FX swaps and political risk insurance, and thereby simplifying access to global markets for competitive solar energy technology, scaling-up investment and reducing cost of electricity.
28	VIPB Asset Management Company Ltd	Bangladesh	VIPB Bangladesh Impact Fund I	Equity fund to supply equity, quasi-equity and long-term patient or risk capital to companies providing products and services for climate-vulnerable Bangladesh smallholders. The fund will focus in particular on investing in MSMEs that are creating new climate-resilient and low-carbon business activities in agriculture, renewable energy, health and education sectors.
29	South Pole Carbon Asset Management Ltd	Multi - SE Asia	Asia Energy Transition Programme	The programme will support an energy transition fund that will target investments in renewable energy, energy efficiency and energy storage in Southeast Asia. The fund will support the transition away from fossil-fuel dependency in ASEAN countries where projected deployment of coal-powered electricity generation threatens the global ambitions of the Paris Agreement.
31	AFD	Global	Land Degradation Neutrality (LDN) Fund	Global impact fund for profit-generating sustainable land management projects. The fund would be structured as a Public-Private Partnership to stop land degradation, generating financial returns through certified production, natural capital, and alternative uses of degraded lands.

CN	Entity / Sponsor	Country	Title	Project Summary
32	IFC	China	Green Building Finance Programme	Generating a critical mass of green building investments in China by demonstrating commercial viability. Crowding-in private finance through first-mover financial institution investment and by funding scalable projects to realise China's aggressive 2020 green building target. Supporting the development and implementation of ambitious standards, and a supportive framework for green building investments.
38	EarthSpark International SPV	Haiti	Scaling Smart, Solar Energy Access Microgrids in Haiti	Low-carbon electrification for climate-vulnerable communities in Haiti. Investing in 20 community-scale, hybrid solar photovoltaic and energy storage micro-grid generation systems, and associated distribution infrastructure. Providing clean, affordable, reliable 24-hour electricity to rural off-grid communities in southern Haiti, and developing a replicable model for micro-grid installation in other SIDS.
41	Conservation International, Climate and Forest Capital, Environmental Defense Fund (EDF)	Ghana & Chile	REDD+ Acceleration Fund	Creating a REDD+ Acceleration Fund that will purchase verified emissions reductions to reduce forestry emissions. The Fund will use a blended finance structure to mobilise private investment, including from the air transport sector, for existing REDD+ programs, beginning with Ghana and Chile, in order to reduce emissions from the forestry sector, and prevent deforestation.
52	SunFunder Inc	Global	Solar Energy Transformation (SET) Fund	Scaling off-grid solar for LDCs through a debt fund to crowd-in institutional investors. The Fund will provide scalable debt financing through an aggregated portfolio of solar loans, providing off-grid solar energy to LDCs, SIDS, and African States. This will allow them to skip the fossil-fuel grid age and base their development on renewable energy.
57	AgDevCo Ltd	Ghana, Malawi, Zambia	Climate Smart Irrigation Programme (CSIP)	Leveraging funds for irrigation and improving access to markets for smallholder farmers in Sub-Saharan Africa (SSA). Agriculture in SSA is highly vulnerable to the impacts of climate change, including drought. This programme will increase crop yields and strengthen the resilience of rural communities in the face of adverse climate change.

CN	Entity / Sponsor	Country	Title	Project Summary
59	KfW	Africa LDCs	Africa Sub-national Climate Fund (SnCF) and SnCF Technical Assistance Facility: "From Action to Transaction"	Financing local and regional inclusive 'green infrastructure' projects in at least 7 African LDCs. Empowering municipal and regional authorities to support renewable energy, energy efficiency, and waste valorisation. Fast-tracked local project development, and a technical assistance facility, will support a bottom-up approach that is replicable and scalable across Africa.
70	IFC	Global	Multi-Country Forests Bond Program	A global forests bond programme for REDD+ activities. The Multi-Country Forest Bonds (MFBs) program will mobilize climate finance to avoid deforestation in multiple forest basins by leveraging the investment potential from capital markets. Funding REDD+ activities and providing price support for carbon credits will demonstrate a results-based financing model.
79	Cenergi SEA Sdn. Bhd. with Clarmondial AG and Amanie Advisors Sdn. Bhd.	Malaysia and South East Asia	Green Sukuk Programme (GSP)	Facilitating green investments for Islamic finance. The Green Sukuk Programme will create financial instruments allowing Islamic financial assets to be invested in climate mitigation projects. Initially financing smaller renewable energy and energy efficiency projects in Malaysia, GSP will engage primarily local and regional institutional investors and Islamic investors.
81	KPMG East Africa Ltd.	Africa	Africa Adaptation Fund	A catalytic private sector grant fund for climate resilient products and services. The Fund will identify and cultivate companies with innovative yet also financially viable and scalable business models. This will create a bankable pipeline for investors whilst increasing the resilience of vulnerable communities to adapt to climate change.
87	Althelia ecosphere	Latin America, then Global	Climate Leveraged Equity Pool (CLEP) and Results-Based Payments (RBP) facility for sustainable landscape & marine management	Supporting private investment in transformational land use and marine projects through a leveraged equity pool and results-based payments, resulting in fully accounted emission reductions. Providing finance for projects related to water, fisheries, agriculture, forestry and health, protecting high conservation value forests and vulnerable marine ecosystems.

CN	Entity / Sponsor	Country	Title	Project Summary
96	Macquarie	Asia-Pacific	Green Finance Institution Acceleration Fund	A green finance fund to demonstrate the viability and impact of local Green Finance Institutions to national governments. The Acceleration Fund would crowd-in private sector finance to accelerate green investment in South-East Asia and ultimately encourage the creation of new Green Finance Institutions in the region.
112	Komaza Group Limited	Kenya	Financing Innovation to Scale Smallholder Farmer Forestry	Smallholder forestry for carbon sequestration and income-generation, using eucalyptus and melia trees in Kenya. Supporting microforestry by connecting smallholders with high-value wood markets can both increase the resilience of farming households, and produce significant indirect emission reductions through sequestration, creating a scalable and replicable model for Africa.
118	Camco Management Ltd and Parhelion Underwriting Ltd	Kenya, Ethiopia	GeoFutures Facility	Establishing and running a risk mitigation instrument to crowd-in private sector investment for geothermal power in East Africa. Providing early stage finance and using re/insurance capital to deliver risk mitigation and insurance instruments to remove barriers and allow other forms of debt and equity capital for the geothermal power sector.
120	DBSA	Africa	Catalyzing Renewable Energy Investment in SADC through a creditworthy intermediary offtaker: Africa GreenCo	Establishing a government co-owned creditworthy intermediary offtaker and power services provider within the Southern African Power Pool. Increasing private investment in renewable energy projects at lower cost by aggregating and mitigating demand and supply risks, fostering SADC countries' low carbon transition whilst developing a liquid regional power market by leveraging the power pool.
124	FYNSA	Chile	Espejo de Tarapaca	Integrating pumped storage hydroelectric with solar power generation to provide a 24/7 baseload grid solution in Chile. 'Solar plus storage' could overcome the variability of solar power, and is replicable in locations with similar geographic characteristics, demonstrating how large-scale deployment of renewable energy could replace fossil fuels in Latin America.

CN	Entity / Sponsor	Country	Title	Project Summary
128	WaterEquity	India, Indonesia, Cambodia, Philippines	WaterCredit Investment Fund 3: Utilizing Affordable Financing to Scale Access to Water and Sanitation in Countries Vulnerable to Climate Change	Building capacity for local financial institutions to provide safe water and sanitation financing for base of pyramid customers, overcoming climate-related water scarcity. The fund will create new markets for water supply and sanitation, particularly through loans to microfinance institutions to enable affordable financing in highly vulnerable Asian countries.
142	Credit Agricole CIB	Lat Am	Distributed ABS in Mexico Program	Project summary to be added once reviewed by project sponsor.
151	CAF	Uruguay	Private Investment Facility Programme to accelerate Electric Mobility in the Transport Sector of Uruguay	Private investment facility programme to overcome initial investment cost barriers for the electrification of public transport. The programme will promote low carbon mobility via an electric bus network powered by 96% renewable energy electric grid, paving the way for a structural transformation of the urban transport system in Uruguay.
162	Ignite Capital	Africa	Ignite Triple 5	Providing nation-scale affordable clean energy solutions in Sub-Saharan Africa, aiming to connect 5 million homes in 5 countries over 5 years. Using local networks will allow scaling up of access to clean electricity, particularly in rural areas, replacing kerosene and avoiding the installation of fossil fuel based infrastructure towards a distributed, inclusive, clean access future.
175	Acumen Fund Inc	Africa, India	Sustainable, affordable, and reliable energy for the poor	Supplying locally distributed solar energy solutions for households and small businesses in low electrification, rural areas of Africa and Asia. Pay-as-you-go solar home systems will be sold through extensive retail networks of distributors to overcome affordability barriers for customers, replacing kerosene with clean, safe, off-grid energy at large scale.
176	Merchant Bank of Sri Lanka and Finance PLC	Sri Lanka	Concessionary leasing facilities for hybrid / electric vehicles	A concessionary green loan scheme to fund electric or hybrid vehicles and the installation of solar panels in Sri Lanka. Rapid roll-out of concessionary loans together with support for solar installations will accelerate the transition towards electric transport, contributing towards emission reductions in the transport sector in Sri Lanka.

CN	Entity / Sponsor	Country	Title	Project Summary
179	Absolute Energy Capital LLP	Africa LDCs, Indonesia, Caribbean	Absolute Energy Impact Fund	Investing into “Champion Developers” of renewable energy generation and distribution projects, delivering on-grid and off-grid Universal Energy Access, with a holistic approach aimed at empowering rural development. Centralised procurement and sharing of best practices will ensure project efficiencies and standardization to allow scalability towards the creation of an asset class that will facilitate private sector investments.
185	COFIDES	Global	Sustainable forestry fund - the Arbaro Fund	Sustainable forestry fund for Latin America, the Caribbean and Sub-Saharan Africa, based on sustainable timber production. The Arbaro Fund will invest in sustainable timber production, providing profitable long-term investments for the private sector that demonstrate how the forestry sector can contribute to mitigation and adaptation goals.
186	Frontier Fund Management Partnership	Pacific Islands and SIDS	Frontier Fund	The Frontier Fund is a long-term fund that will design and deliver approximately 10 renewable energy projects for the Pacific Islands, including Pacific SIDS. The projects will deliver reliable, affordable, renewable energy to the Pacific Islands, reducing their significant dependence on oil imports and decreasing their CO2 emissions.
189	UNE and BNP	Indonesia	Bukit Tigapuluh Sustainable Landscape Project (Project Pangolin)	Catalyzing private finance to reverse the deforestation paradigm and protect biodiversity in Sumatra. Developing forestry plantations for sustainable rubber production in a heavily degraded area adjacent to a 140,000 hectare national park, removing incentives for deforestation. This will deliver both adaptation and mitigation benefits, with GCF investment overcoming higher profit margins for unsustainable land use.
192	Mytrah NN4Energy	India	Accelerating Deployment of Electric Buses and Catalyzing Energy Storage in India	This transport electrification program will pioneer cost effective deployment of zero emission buses at scale. The investment will develop sustainable local ecosystem for Electric Vehicles in India, and a large source of batteries and grid supply infrastructure with potential to be used for utility scale energy storage systems.

IV. Snapshot of RFP lessons learned

38. The very strong level of response to this request for proposals was highly dependent on a series of key strategic steps with clearly defined objectives and timelines. At the same time, this also set the basis for useful lessons learned from the management of the selection process, which make the MFS request for proposal a useful “pilot” project that sets the basis for future improvement of such initiatives within GCF.

4.1.1 Institutional and technological limitations

39. Due to the high number of concept notes received (350), the MFS request for proposal involved an increased number of external resources coming both from GCF and from outside partners to be able to deliver the selection outcomes in a timely manner. This could be solved by building diverse scenario-outcomes depending on the number of responses: in case of a high number, internal GCF divisions and partners would already be established. However, if the number were lower than expected, the amount of work required could be managed by the single GCF division and/or few externals.

4.1.2 Improvement of outreach and stakeholder engagement

40. The level of responsiveness to the RFP MFS varied substantially across countries, showing a high penetration in regions like Africa and a visibly low level of outreach in regions like Latin America and the Caribbean. This phenomenon gives useful lessons learned in terms of the outreach strategy, more specifically:

- (a) The language of outreach: providing translations of articles/pages on the microsite could expand the type of outreach to actors that have a low or medium level of English; and
- (b) The responsiveness of each country’s NDA: in some countries, NDAs had a higher interest in communicating the existence of this request for proposal to the main national actors in the field, and this has caused a noticeable increase in the number of proposals coming from those countries. Involving certain NDAs in the outreach strategy could increase the likelihood of receiving more projects from a certain region.

4.1.3 Deficiencies within evaluation methodologies

41. The RFP evaluation process has been based on Board-approved evaluation scorecard indicating 11 different criteria, of which one (appropriate activity, which had to be answered as pass/fail) has been implemented during the second review process, and the remaining 10 were part of an overall scoring process that characterized the third review. Despite the comprehensive character of these criteria, the evaluation methodology offers useful starting points for improving the quality of the overall scoring process:

- (a) The equal weightage of more than half of the criteria: in 6 out of 10 criteria, the maximum percentage points were equal between each other (5 per cent) and did not mirror the difference of impact on the overall quality of the project. A more well-tailored weightage could be envisaged for different types of questions;
- (b) The criteria terminology: some evaluation criteria presented an ambiguous terminology which cannot be immediately translated into a quantifiable output. An example is criteria number 8 with the question (i): “Will the programme encourage innovative climate solutions?”. In the future, a glossary with quantifiable suggestions of each of the terms present in the evaluation criteria might be envisaged. This will also help to harmonize the evaluation process, by giving an objective interpretation of the questions which could be applied similarly from each individual examining the project; and

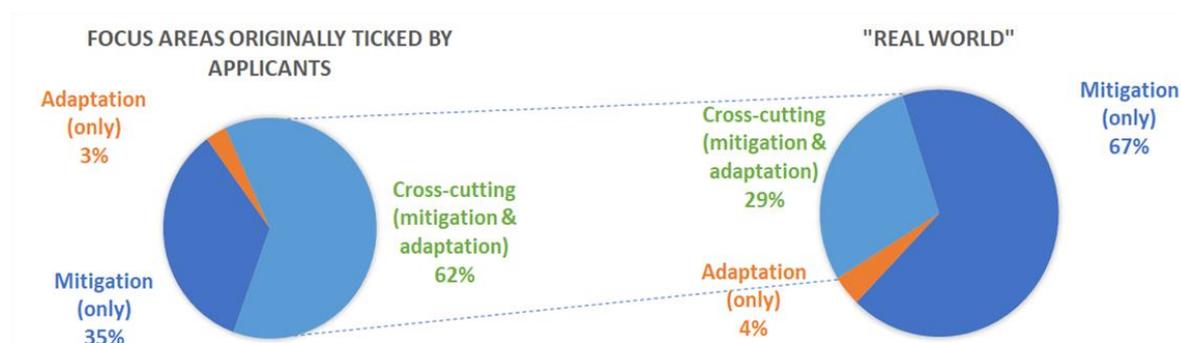
(c) Unpacking GCF results focus: an issue experienced during the evaluation of concept notes has been the one of misunderstanding the difference between results focus (mitigation, adaptation, cross-cutting). An illustrative glossary on how to correctly mark one's project according to key results focus may be published on the GCF website/microsite concurrently with the beginning of a new request for proposals.

42. A case in point, with the support of GGGI, an initiative was taken to unpack “cross-cutting” projects on the 125 concept notes longlisted from the first level review. The 125 concept notes that reached the second review phase had the following impacts:

1. 2/3rd ticked cross-cutting;
2. 1/3rd ticked mitigation only; and
3. Less than 5 per cent ticked adaptation only.

43. The GGGI review showed that the proportions of cross-cutting projects and of mitigation only projects were the opposite (1/3rd cross-cutting; 2/3rd mitigation only; less than 5 per cent adaptation only).

Figure 4. Focus areas ticked by applicants and actual focus areas



44. Half of the projects that ticked “cross-cutting” did have both mitigation and adaptation impacts. It can be agriculture, forestry and other land use (AFLOU) projects that decrease greenhouse gases emissions (mitigation impact) through sequestration for example while simultaneously support farmers with climate-resilient farming practices. Or low-carbon buildings that also has climate-resilience built in their design and construction.

45. However, the other half of the applicants that have ticked “cross-cutting” confused adaptation impacts with co-benefits. Co-benefits are one of GCF six investment criteria (“sustainable development potential”). For example, social co-benefits are expected when positive social and health impacts can also be realized as a result of project activities such as low-emission energy access to vulnerable groups, access to education, improved regulation and/or cultural preservation. Economic co-benefits can be improvements in areas such as job creation, increased and/or expanded involvement of local industries.

46. These project examples have mitigation impacts and co-benefits but may not have comparable weighting on increasing the adaptation and resilience capacities of the beneficiaries.

4.2 Environmental and social safeguards and gender

4.2.1 How environmental and social safeguards/gender aspects were addressed in the concept notes

47. Except for a few large scale hydroelectric projects, most projects appear to be within the environmental and social safeguards (ESS) risk category B.

48. It appears that very few projects have undergone a gender assessment to mainstream gender in their concept notes.

49. Majority of the projects have i) a short narrative on expected gender outcomes but lacked details on impact pathways; and ii) followed concept note user's guide and focused on proportion of men/women in job created as the main gender-sensitive development impact.

4.2.2 Suggestions to strengthen environmental and social safeguards/gender

50. ESS and gender aspects need to be considered as early as possible, if not from the outset, in order to identify and manage potential risks and maximize potential benefits as a result of project activities.

51. Another suggestion is to provide more guidance on gender in the concept note user's guide. This can come in the form of requesting an initial gender analysis to be carried out as part of the submission to mainstream gender in the concept note, or mandating the inclusion of a full gender assessment as an initial project activity once the project has been approved by GCF.

52. Another option to strengthen the gender component is to include in the concept note template how the project will support the GCF Gender Policy an Action Plan, in particular, i) inclusiveness in all activities; ii) stakeholder engagement, including women's organizations; and iii) equitable resource/benefit allocation.

4.3 Further improvement of evaluation structure and methodology

53. Further to the involvement of GGGI and Climate Analytics in the review process, the Secretariat sought to have recommendations from both institutions for learning purposes and future RFPs. Some of which are summarized as follows:

4.3.1 Feedback from GGGI

54. The criteria used had been validated by the Board and were consistent with the GCF mandate and aims. However, it was observed that relatively little weighting was given to gender and bottom of the pyramid (BOP) considerations, an area that could be strengthened in future review criteria.

55. In order to standardize the review of the concept notes, a more detailed methodology could be provided to the reviewers with several examples showing extracts that would receive different scores. For example, a new programme can be innovative in many different ways so a clear list of the types of innovations could be provided to the reviewers to standardize the scoring (such as new type of business model, importation of a successful business model in a new country with a clear explanation outlining why it is likely to work in a new country, list of new technologies GCF wants to promote, etc.).

4.3.2 Feedback from climate analytics

56. The level of awareness and understanding of what GCF expects still seems to be low amongst the private sector entities.

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57. The Secretariat would need to clarify the following points in particular (strictly from the climate science and policy perspective, there is clarification needed on the financials, especially concessionality level and co-financing):
- (a) Clarify what high quality, innovative, transformational / paradigm shifting potential means for GCF, especially in the context of the mandate of GCF that is to contribute to the achievement of the goals of the Paris Agreement;
 - (b) What is meant by impact? Immediate/long term, direct/indirect, qualitative /quantitative? What does that mean for an adaptation project?;
 - (c) Clarify what is the offered basket for funding (proposals ranged from USD 3 to USD 500 million);
 - (d) Enforce the page limit (or character per section if possible) and provide format for supporting documents; and
 - (e) Explain that checking all the boxes on the first page to make one project look more cross-cutting is not going to make them score higher. A lot of the projects labeled as “cross-cutting” were either regular mitigation projects with weak or no narrative on co-benefits or regular (repackaged) development projects with climate co-benefits.
 - (f) The RFP could be more targeted at specific thematic areas or at specific applicants.

Annex IV: Status of the initial resource mobilization process

I. Introduction

1. During the seventeenth meeting of the Board (B.17), the Secretariat reported to the Board that 44 countries and regions and one city out of 47 contributors had signed the contribution agreements/arrangements (CAs) amounting to approximately USD 10.1 billion equivalent of the total pledge of USD 10.3 billion equivalent, while eight countries had not signed the contribution agreements for part or all of their pledges.

II. Status of contributions

2.1 Status of contributions

2. Since B.17, five additional countries have signed a contribution agreement for part of its entire pledge. The additional countries were Iceland, Malta, Ireland, Mongolia and Norway. Annex V contains the full up-to-date status of the contributions pledge tracker.

3. The total of signed countries/regions/cities since the 2014 High-level Pledging Conference held in Germany is 45 and the signed amount is approximately USD 10.1 billion equivalent.

4. However, there are eight countries that have not signed the contribution agreements for part or all of their pledges. They are listed in table 1 below.

Table 1: Countries yet to sign full contribution agreements

Countries with only part of their pledge signed		
Country	Remaining amount in pledged currency	Amount signed in pledged currency
Colombia	USD 5.7 million	USD 0.3 million
Finland ²²	EUR 45.3 million	EUR 34.7 million
Iceland	USD 0.3 million	USD 0.7 million
Italy	EUR 50 million	EUR 200 million
Luxembourg	EUR 10 million	EUR 25 million
Countries with their full amount of pledges remaining to be signed		
Country	Amount in pledged currency	
Peru	USD 6 million	
Vietnam	USD 1 million	

III. Status of resources

5. The Green Climate Fund Trust Fund (GCFTF) Financial Report prepared by the Interim Trustee is contained in Annex VI.

²² Now in process to finalize the contribution agreement for the entire remaining amount.

3.1 Forecast of available resources

6. Based on the signed contribution agreements/arrangements as at 31 December 2017 and information from the Interim Trustee, the Secretariat's forecast of available resources for funding decisions (commitments) and disbursements (available cash) are shown in the tables below. The tables show the cash and promissory notes (PNs) forecast to be received at the end of each calendar year.

7. Table 2 below illustrates the level of resources available for funding decisions (commitment authority) as at 31 December 2017, which includes the actual cash in the GCFTF and the PNs deposited in a designated custody account, minus the funding decisions taken. Both cash and PNs constitute assets of GCF, and the total amount of available cash and deposited PNs will act as the basis for funding decisions by the Board. Table 3 and 4 below contains the forecast of available resources for funding decisions for the budgetary period for 2018, based on the signed agreements/arrangements.

Table 2: Total commitment authority as of 31 December 2017

Millions of USD

	Cash	Promissory notes (PNs) ^a	Funding decisions ^b	Total available
Commitment authority	3,380	2,059	-2,996	2,443

Note: ^a Amount is in USD equivalent based on Interim Trustee's GCFTF Report as of 31 December 2017.

^b The funding decisions include Board decisions on funding proposals, readiness programme, project preparation facility, accredited entities management fees, and administrative budget (including Independent Units), minus the disbursed amounts.

Table 3: Total projected additional commitment authority (as at 31 December)

Millions of USD equivalent^a

Calendar year	2018
Cash contributions	449
Promissory note deposits	1,068
Loans	102 ^b
Total additional commitment authority for the year	1,619

Notes: ^a USD equivalent is based on the reference exchange rates established for the High-level Pledging Conference (GCF/BM-2015/Inf.01/Rev.01).

^b The drawdown of this loan amount from Canada will be during Canada's Fiscal Year 2018/19, which is the twelve-month period extending from 1 April 2018 to 31 March 2019.

Table 4: Timing of projected additional commitment authority for 2018 (as at 31 December 2017)

Millions of USD equivalent^a

Month	March	April	June	November	December
Cash contributions and promissory note deposits	254	528	329	221	287
Cumulative total for 2018	254	782	1,111	1,332	1,619

Notes: ^a USD equivalent is based on the reference exchange rates established for the High-level Pledging Conference (GCF/BM-2015/Inf.01/Rev.01).

8. Table 5 represents the schedule of projected cash available for disbursement, illustrating the maximum possible disbursement levels for each year. This includes the cash payments and the cash paid in from encashment of PNs. As explained in the Policies for Contribution to the GCF, the encashment schedule of PNs, which is not to exceed nine years or to take place after 2023, is to be agreed between the contributor and the Secretariat based on the contribution agreements/arrangements and is subject to revisions upon agreement between the contributors and the Secretariat. All encashment schedules of PNs have been agreed between the contributors and the Secretariat.

Table 5: Total projected additional cash available for disbursement (as at 31 December)^a

Millions of USD equivalent^b

Calendar year	2018	2019	2020	2021	2022	2023
Cash contributions	449.19	46.82	57.52	-	-	-
Promissory note encashment	647.87	710.21	666.02	570.37	413.58	321.98
Loans	101.58	-	-	-	-	-
Total cash available	1,198.64	757.03	723.54	570.37	413.58	321.98

Notes: ^a These projections are based on the signed contribution agreements/arrangements as at 31 December 2017, and do not include cash available at 31 December 2017, cushions or newly signed agreements after 31 December 2017. Also, the revised PN encashment amount by the United Kingdom is not reflected as the revised schedule is being considered.

^b USD equivalent is based on the reference exchange rates established for the High-level Pledging Conference (GCF/BM-2015/Inf.01/Rev.01).

9. It should also be noted that when planning for the amount of funding decisions and disbursements, the following points need to be taken into account:

- (a) The existing Board decisions (decisions B.10/04, B.10/11 and B.11/11) approving the requests for proposal for three pilot programmes of up to USD 900 million from 2016 to 2018 and the allocation of USD 195 million for the next phases of the programme titled “Energy Efficiency Green Bond in Latin America and the Caribbean”, to be committed subject to funding approval by the Board;
- (b) The existing Board decision B.18/07 approving the request for proposal for pilot programme REDD-plus results-based payments of up to USD 500 million from 2018 to 2022; and
- (c) GCF does not have a contingency reserve for asset liability management. However, contribution uncertainty and liquidity risk are addressed in the Risk Appetite Statement¹ of the Risk Management Framework. The mitigation of these risks will also be covered subject to Board approval by additional policies as part of the further development of the Risk Management Framework. These steps would ensure availability of resources in case GCF disbursements to projects and programmes were to proceed at a higher pace than expected, resources from contributors were to be delayed, or major foreign exchange variations occur that significantly impact the commitment authority.

3.2 Impact of foreign exchange variations

10. As at 31 December 2017, the total amount of pledges was USD 10.3 billion equivalent, based on the reference exchange rate established for the GCF High-level Pledging Conference. This total amount of pledges in grant equivalence, when converted using spot rate as at end December 2017, would be reduced virtually to USD 8.93 billion as a result of the foreign exchange variations.

11. As part of the implementation of its risk management framework, a currency hedging strategy is expected to be submitted to the Board in 2018.

Annex V: Pledge tracker

Status of Pledges for GCF's Initial Resource Mobilization (IRM) as of 29 January 2018

Calculated on basis of reference exchange rates established for GCF's High-Level Pledging Conference (GCF/BM-2015/Inf.01)

(*In millions)

Governments	Pledges					Grant Equivalent ¹		
	Announced		Signed	Disbursed Cash and Deposited FNs	Announced Per Capita	of Pledged Amount	of Signed Amount	of Pledged Amount
	In Currency*	USD eq. ²	USD eq. ²	In Currency*	USD eq. ²	USD eq. ²	USD eq. ²	Current FX ³

Amounts Announced, Signed, and Disbursed									
Australia	AUD	200.3	187.2	187.2	165.8	7.92	187.2	187.2	156.4
Austria	EUR	26.0	34.8	34.8	23.6	4.09	34.8	34.8	31.2
Belgium	EUR	50.0	66.9	66.9	50.0	6.22	66.9	66.9	60.0
Belgium (Brussels Capital)	EUR	3.6	4.8	4.8	3.6	1.30	4.8	4.8	4.3
Belgium (Flanders)	EUR	9.8	13.0	13.0	9.8	0.70	13.0	13.0	11.7
Belgium (Wallonia) (1)	USD	1.5	1.5	1.5	1.5	3.00	1.5	1.5	1.5
Belgium (Wallonia) (2)	EUR	7.0	9.4	9.4	7.0		9.4	9.4	8.4
Bulgaria	EUR	0.1	0.1	0.1	0.1	0.02	0.1	0.1	0.1
Canada (Grant)	CAD	168.0	155.1	155.1	168.0		155.1	155.1	133.6
Canada (Loan)	CAD	110.0	101.6	101.6	-	7.80	20.0	20.0	17.2
Canada (Cushion)	CAD	22.0	20.3	20.3	-		-	-	17.5
Chile	USD	0.3	0.3	0.3	0.3	0.02	0.3	0.3	0.3
Colombia	USD	0.3	0.3	0.3	0.3	0.12	0.3	0.3	0.3
Cyprus	EUR	0.4	0.5	0.5	-	0.40	0.5	0.5	0.4
Czech Republic	CZK	110.0	5.3	5.3	110.0	0.50	5.3	5.3	5.2
Denmark	DKK	400.0	71.8	71.8	400.0	12.82	71.8	71.8	64.4
Estonia	EUR	1.0	1.3	1.3	1.0	1.00	1.3	1.3	1.2
Finland	EUR	34.7	46.4	46.4	34.7	19.82	46.4	46.4	41.7
France (Grant)	EUR	432.0	577.9	577.9	272.0		577.9	577.9	518.6
France (Loan)	EUR	285.0	381.3	381.3	285.0	16.03	105.1	105.1	94.3
France (Cushion)	EUR	57.0	76.3	76.3	57.0		-	-	68.4
France (Paris) ⁵	EUR	1.0	1.3	1.3	0.7	0.10	1.3	1.3	1.2
Germany	EUR	750.0	1,003.3	1,003.3	562.5	12.13	1,003.3	1,003.3	900.4
Hungary	HUF	1,000.0	4.3	4.3	1,000.0	0.40	4.3	4.3	3.9
Iceland	USD	0.7	0.7	0.7	0.7	0.50	0.7	0.7	0.7
Indonesia	USD	0.3	0.3	0.3	0.2	0.00	0.3	0.3	0.3
Ireland	EUR	4.0	5.4	5.4	4.0	0.59	5.4	5.4	4.8
Italy	EUR	200.0	267.5	267.5	150.0	5.47	267.5	267.5	240.1
Japan	JPY	154,028.7	1,500.0	1,500.0	115,521.2	11.81	1,500.0	1,500.0	1366.8
Latvia	EUR	0.4	0.5	0.5	0.4	0.23	0.5	0.5	0.4
Liechtenstein	CHF	0.1	0.1	0.1	0.1	1.50	0.1	0.1	0.1
Lithuania	EUR	0.1	0.1	0.1	0.1	0.04	0.1	0.1	0.1
Luxembourg	EUR	25.0	33.4	33.4	25.0	93.60	33.4	33.4	30.0
Malta	EUR	0.2	0.3	0.3	0.3	0.25	0.3	0.3	0.3
Mexico	USD	10.0	10.0	10.0	10.0	0.08	10.0	10.0	10.0
Mongolia ¹³	MNT	90.0	0.0	0.0	0.0	0.02	0.0	0.0	0.0
Monaco	EUR	1.0	1.3	1.3	1.0	8.80	1.3	1.3	1.2
Netherlands	EUR	100.0	133.8	133.8	34.0	7.96	133.8	133.8	120.0
New Zealand	NZD	3.0	2.6	2.6	3.0	0.56	2.6	2.6	2.1
Norway	NOK	1,680.0	270.8	270.8	1,289.0	50.56	257.9	257.9	204.8
Panama	USD	1.0	1.0	1.0	1.0	0.26	1.0	1.0	1.0
Poland	PLN	0.4	0.1	0.1	0.4	0.00	0.1	0.1	0.1
Portugal	EUR	2.0	2.7	2.7	2.0	0.30	2.7	2.7	2.4
Republic of Korea	USD	100.0	100.0	100.0	47.2	2.02	100.0	100.0	100.0
Romania	EUR	0.1	0.1	0.1	0.1	0.00	0.1	0.1	0.1
Spain ⁶	EUR	120.0	160.5	160.5	17.0	3.40	160.5	160.5	144.1
Sweden	SEK	4,000.0	581.2	581.2	4,000.0	60.54	581.2	581.2	488.8
Switzerland	USD	100.0	100.0	100.0	100.0	12.20	100.0	100.0	100.0
United Kingdom ⁷	GBP	720.0	1,211.0	1,211.0	524.5	19.07	1,211.0	1,211.0	972.7
United States of America ⁸	USD	3,000.0	3,000.0	3,000.0	1,000.0	9.30	3,000.0	3,000.0	3,000.0
Total			10,148.3	10,148.3			9,681.1	9,681.1	8,932.2

Amounts Announced but Not Yet Signed									
Colombia	USD	5.7	5.7	-	-	0.12	5.7	-	5.7
Finland	EUR	45.3	60.6	-	-	19.82	60.6	-	54.4
Iceland ⁹	USD	0.3	0.3	-	-	5.00	0.3	-	0.3
Italy	EUR	50.0	66.9	-	-	5.47	66.9	-	60.0
Luxembourg ¹¹	EUR	10.0	13.4	-	-	93.60	13.4	-	12.0
Peru	USD	6.0	6.0	-	-	0.19	6.0	-	6.0
Vietnam ¹²	USD	1.0	1.0	-	-	0.01	1.0	-	1.0
Total			153.9	-			153.9	-	139.4

Grand Total 10,302.2 10,148.3 9,835.0 9,681.1 9,072.6

EU Member States (Total) USD 4,837.6 4,696.8 4,485.2 4,344.4 3,947.3

Notes:

- Grant equivalent is calculated based on the terms in Policies for Contributions.
- United States dollars equivalent (USD eq.), based on the reference exchange rates established for GCF's High-Level Pledging Conference (GCF/BM-2015/Inf.01).
- USD eq., based on the foreign exchange rate as of 29 December 2017. Depending on the rate at the time of conversion, the USD eq. amount will fluctuate accordingly.
- The original pledge from Austria was announced in USD (25 million) but signed in EUR (20 million). The amount shown as signed is calculated in accordance with ².
- Signed amount includes contributions made prior to GCF's High-Level Pledging Conference.
- The total amount pledged is EUR 120 million, but EUR 78 million will be paid after the Initial Resource Mobilization period (2015-2018).
- Out of the United Kingdom's announced pledge of GBP 720 million, GBP 144 million is signed as a grant and GBP 576 million is signed as a capital contribution, as defined in its agreement.
- Subject to the availability of funds. USD 1 billion provided to date.
- The total amount pledged is EUR 1 million, but EUR 0.4 million is planned to be paid after the IRM.
- The total amount pledged is EUR 1 million, but EUR 0.3 million is planned to be paid after the IRM.
- The EUR 10 million is planned to be paid after the IRM.
- The total amount pledged is USD 1 million, but USD 0.4 million is planned to be paid after the IRM.
- The Contribution Agreement was signed in USD equivalent to the pledged amount of MNT 90 million.

Annex VI: Green Climate Fund Trust Fund Report

Green Climate Fund
Trust Fund

Green Climate Fund Trust Fund

Financial Report

Prepared by the Interim Trustee

(The World Bank)

As of December 31, 2017

Green Climate Fund Trust Fund Summary as of December 31, 2017

Notes:

1. The World Bank provides trustee services to the Green Climate Fund (GCF), on an interim basis. This report covers the financial status of the Green Climate Fund Trust Fund (GCF Trust Fund), established at the World Bank for this purpose.
2. This report does not include financial information related to contributions to the GCF provided through other channels (e.g. via UNFCCC Secretariat or directly to the GCF Secretariat).
3. Funding Decisions of the GCF are reported and maintained by the GCF secretariat. This report includes details of cash transfers made by the interim trustee based on written instruction from the GCF.



Green Climate Fund
Trust Fund

1. GCF Trust Fund Summary – Inception through December 31, 2017

*In USDeq. **

		Total
Cumulative Resources		
<u>Resources received</u>		
Grant Contributions		4,151,881,341
Cash	2,685,173,626	
Promissory Notes	1,466,707,715	
Capital Contributions		1,164,893,026
Cash	572,430,312	
Promissory Notes	592,462,714	
Loan Contributions		341,629,500
Cash	341,629,500	
Promissory Notes	-	
Investment Income earned		49,357,129
Reflows		33,758
Total Resources Received (A)		5,707,794,754

Funds Available		
Funds Held in Trust with no restrictions		5,434,183,644
<i>Consisting of:</i>		
<i>a. Cash and Investments</i>	3,375,013,215	
<i>b. Promissory Notes</i>	2,059,170,429	

*Non-USD balances have been revalued into equivalent USD based on 12/31/2017 currency exchange rates.
Due to rounding, figures presented may not add up to total/s provided .



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2. Contributions – as of December 31, 2017

Contributor	Cash / Promissory Note	Contribution Type	Currency	Effective (or signed) Contribution in Currency of Contribution	Receipts in Currency of Contribution	Cash Receipts in USD eq. b/	Promissory Notes deposited in USD eq. c/	Cash + Promissory Notes deposited in USD eq.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9=7+8)
Australia	Cash	Grant	AUD	200,820,000	165,820,000	126,556,685	-	126,556,685
Austria	Cash	Grant	EUR	26,000,000	23,600,000	26,088,540	-	26,088,540
Belgium	Cash	Grant	EUR	40,000,000	40,000,000	47,624,000	-	47,624,000
Belgium - Flanders	Cash	Capital	EUR	10,000,000	10,000,000	11,197,000	-	11,197,000
Belgium - Walloon Region	Cash	Grant	EUR	9,750,000	9,750,000	10,395,163	-	10,395,163
Belgium - Walloon Region	Cash	Grant	EUR	7,000,000	7,000,000	7,973,700	-	7,973,700
Belgium - Walloon Region	Cash	Grant	USD	1,507,115	1,507,115	1,507,115	-	1,507,115
Belgium - Brussels Capital Region	Cash	Grant	EUR	3,600,000	3,600,000	3,863,070	-	3,863,070
Bulgaria	Cash	Grant	EUR	100,000	100,000	109,232	-	109,232
Canada	Cash	Grant	CAD	168,000,000	168,000,000	128,230,118	-	128,230,118
Canada	Cash	Loan	CAD	110,000,000	-	-	-	-
Chile	Cash	Grant	USD	300,000	300,000	300,000	-	300,000
Colombia	Cash	Grant	COP	900,000,000	900,000,000	287,356	-	287,356
Cyprus	Cash	Grant	EUR	350,000	-	-	-	-
Czech Republic	Cash	Grant	USD	300,000	300,000	300,000	-	300,000
Czech Republic	Cash	Grant	CZK	110,000,000	110,000,000	4,596,555	-	4,596,555
Denmark	Cash	Grant	DKK	407,080,000	407,080,000	62,265,296	-	62,265,296
Estonia	Cash	Grant	EUR	1,000,000	1,000,000	1,122,978	-	1,122,978
Finland	Cash	Grant	EUR	35,200,000	35,200,000	38,256,310	-	38,256,310
France	Cash	Grant	EUR	330,250,000	330,250,000	368,317,899	-	368,317,899
France	Cash	Loan	EUR	285,000,000	285,000,000	341,629,500	-	341,629,500
France - City of Paris	Cash	Grant	EUR	1,000,000	666,000	765,734	-	765,734
Germany	Cash	Grant	EUR	17,785,000	17,785,000	24,329,921	-	24,329,921
Germany	Promissory Note	Grant	EUR	750,000,000	562,500,000	198,103,690	455,158,377	653,262,067
Hungary	Cash	Grant	HUF	1,000,000,000	1,000,000,000	3,530,620	-	3,530,620
Iceland	Cash	Grant	USD	700,000	700,000	700,000	-	700,000
Indonesia	Cash	Grant	USD	250,000	244,420	244,420	-	244,420
Ireland	Cash	Grant	EUR	4,000,000	4,000,000	4,452,750	-	4,452,750
Italy	Cash	Grant	EUR	150,500,000	150,500,000	168,114,850	-	168,114,850
Japan	Cash	Grant	USD	1,500,000	1,500,000	1,500,000	-	1,500,000
Japan	Promissory Note	Grant	JPY	154,028,655,000	115,521,491,300	463,841,893	561,274,042	1,015,115,935
Korea, Republic	Cash	Grant	KRW	3,480,000,000	3,480,000,000	3,157,722	-	3,157,722
Korea, Republic	Cash	Grant	USD	44,000,000	44,000,000	44,000,000	-	44,000,000
Latvia	Cash	Grant	EUR	350,000	350,000	416,710	-	416,710



Continued...

2. Contributions – as of December 31, 2017 (continued)

Contributor	(1) Cash / Promissory Note	(2) Contribution Type	(3) Currency	(4) Effective (or signed) Contribution in Currency of Contribution	(5) Receipts in Currency of Contribution	(6) Cash Receipts in USD eq.	(7) Promissory Notes deposited in USD eq. /	(8) Cash + Promissory Notes deposited in USD eq.
Liechtenstein	Cash	Grant	CHF	50,000	50,000	49,910	49,910	
Lithuania	Cash	Grant	EUR	100,000	100,000	112,905	112,905	
Luxembourg	Cash	Grant	EUR	15,000,000	15,000,000	16,610,563	16,610,563	
Luxembourg	Cash	Capital	EUR	10,000,000	10,000,000	11,233,312	11,233,312	
Malta	Cash	Grant	EUR	240,000	240,000	273,882	273,882	
Mexico	Cash	Grant	USD	10,000,000	10,000,000	10,000,000	10,000,000	
Monaco	Cash	Grant	EUR	1,000,000	1,000,000	1,078,942	1,078,942	
Mongolia	Cash	Grant	USD	50,000	50,000	49,983	49,983	
Netherlands	Cash	Grant	USD	285,714	285,714	285,689	285,689	
Netherlands	Cash	Grant	EUR	46,800,000	46,800,000	38,625,900	38,625,900	
Netherlands	Promissory Note	Grant	EUR	53,700,000	-	-	-	
New Zealand	Cash	Grant	EUR	3,000,000	3,000,000	2,197,800	2,197,800	
Norway	Cash	Grant	NOK	1,289,100,000	1,289,100,000	156,107,318	156,107,318	
Panama	Cash	Grant	USD	1,000,000	1,000,000	1,000,000	1,000,000	
Poland	Cash	Grant	PLN	350,000	350,000	103,005	103,005	
Portugal	Cash	Grant	EUR	2,000,000	2,000,000	2,167,600	2,167,600	
Romania	Cash	Grant	USD	50,000	50,000	50,000	50,000	
Spain	Cash	Grant	EUR	17,000,000	17,000,000	18,995,950	18,995,950	
Sweden	Cash	Grant	SEK	20,000,000	20,000,000	2,915,150	2,915,150	
Sweden	Promissory Note	Grant	SEK	4,000,000,000	4,000,000,000	148,093,800	334,088,296	
Switzerland	Cash	Grant	CHF	500,000	500,000	561,766	561,766	
Switzerland	Cash	Grant	USD	100,000,000	100,000,000	99,999,919	99,999,919	
United Kingdom	Cash	Grant	GBP	3,000,000	3,000,000	4,301,208	4,301,208	
United Kingdom	Promissory Note	Capital	GBP	540,156,428	438,536,428	-	592,462,714	
United Kingdom	Promissory Note	Grant	GBP	144,000,000	86,000,000	-	116,186,000	
United States	Cash	Grant	USD	450,000,000	450,000,000	450,000,000	450,000,000	
United States	Cash	Capital	USD	550,000,000	550,000,000	550,000,000	550,000,000	
Sub-total: Grant Contributions						2,685,173,626	1,466,707,715	
Sub-total: Loan Contributions						341,629,900	341,629,900	
Sub-total: Capital Contributions						572,430,312	592,462,714	
Grand Total Contributions (Grant+Loan+Capital)						3,599,233,838	2,059,170,429	

NOTES:

a/ Under paragraph 8.4 of the GCF Trust Fund Agreement, the interim Trustee's role terminates on April 30, 2018. For payments of contributions received after this date, the provisions of paragraph 8.6 of the GCF Trust Fund Agreement and paragraph 5.4 of the Standard Provisions will apply. Also the contribution, to be received after April 2018 are not added in the table, since it is beyond the mandate of current trustee to record the same. These contributions are: United Kingdom, GBP: 5.4 million, France - EUR: 350 million, Korea - USD: 52.84 million, Spain - EUR: 105 million, Canada - CAD: 22 million, Italy - EUR: 80 million

b/ Represents actual USD receipts.

c/ Non-USD balances have been revalued into equivalent USD based on 12/31/2017 currency exchange rates.



3. Funding Availability – as of December 31, 2017

In USDeq.*

	As of December 31, 2017 (a)	As of September 30, 2017 (b)	Change since last report (a) - (b)
1. Cumulative Receipts			
a. Cash receipts from Contributors	5,707,794,754	4,541,299,419	1,166,495,334
b. Investment Income earned on undischursed balances ^{a/}	3,599,233,438	2,967,367,613	631,865,825
c. Promissory Notes deposited	49,357,129	40,264,524	9,092,605
d. Reflows	2,059,170,429	1,533,633,525	525,536,904
	33,758	33,758	-
2. Cumulative Cash Transfers			
a. Administrative budget Interim Secretariat / Secretariat	273,611,110	176,046,445	97,564,665
b. Administrative budget Interim Trustee	114,682,568	106,682,568	8,000,000
c. Projects & Fees	3,883,524	3,653,877	229,647
	155,045,018	65,710,001	89,335,018
3. Funds Held in Trust with no Restrictions (3 = 1 - 2)			
Consisting of			
a. Cash and Investments	5,434,183,644	4,365,252,974	1,068,930,670
b. Promissory Notes	3,375,013,215	2,831,619,449	543,393,766
	2,059,170,429	1,533,633,525	525,536,904

*Non-USD balances have been revalued into equivalent USD based on 12/31/2017 currency exchange rates. Due to rounding, figures presented may not add up to total/s provided.

^{a/} GCF/F balances are invested in a capital preservation investment tranche ("Model Portfolio I") which is managed to an objective of a very low probability of losses over a time horizon of 1 year. Gains or losses reported in quarterly or other interim reports may show mark-to-market losses that may or may not be realized at the end of the investment horizon.

**4. Cumulative Cash Transfers for Projects and Fees - as of December
31, 2017**

In USD

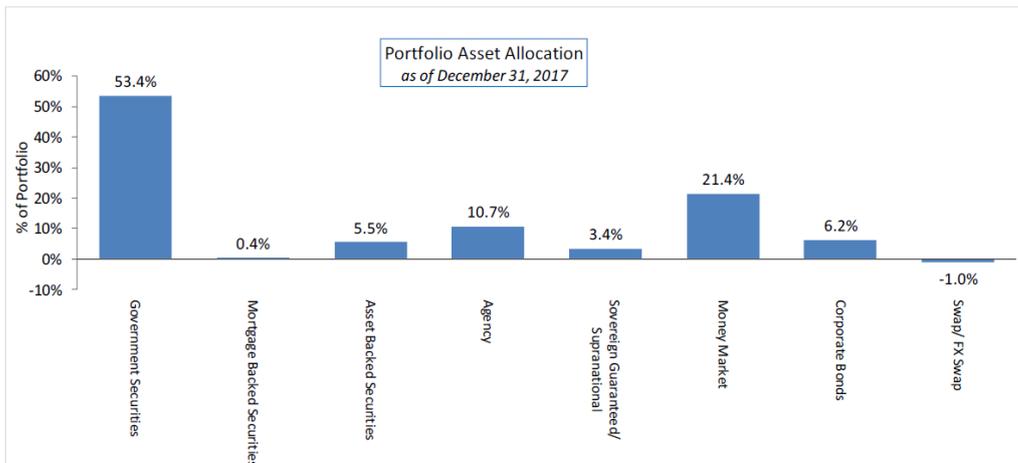
Accredited Entity	Fees	Projects	Total
Acumen	250,000	7,895,595	8,145,595
Environmental Investment Fund Namibia	351,201	3,512,013	3,863,214
Peruvian Trust Fund for Natl Parks	99,840	1,022,186	1,122,026
UN Development Programme	2,764,554	32,773,974	35,538,528
XACBANK, LLC	88,000	20,000,000	20,088,000
European Bank Reconstruction Devt	2,905,800	65,800,000	68,705,800
Agence Pour Developpement Agricole	914,544	10,161,600	11,076,144
UN Environment Programme	537,169	5,968,542	6,505,711
Total	7,911,108	147,133,910	155,045,018

**Green Climate Fund
Trust Fund**

5. Asset Mix and Investment Income

ASSET MIX

Funds held in trust by the World Bank (as the Trustee) are maintained in a commingled investment portfolio (the “Pool”) for all trust funds administered by the World Bank. Within this Pool, GCF funds are invested in a short term, high quality fixed income portfolio with an investment horizon of one year. As of December 31, 2017, the largest allocations by asset class were to government securities, money market and agency.



INVESTMENT INCOME

The GCF Trust Fund balances are invested in accordance with the investment strategy established for all trust funds administered by the World Bank. On July 1, 2015, the World Bank formally adopted the Conditional Value-at-Risk (CVaR) measure as the risk constraint in the management of trust funds. GCF Trust Fund balances are managed such that the expected maximum loss, as measured by the 99% CVaR, is not to exceed 1% at the portfolio’s investment horizon. The 99% CVaR represents the average portfolio loss in the worst 1% of loss cases.

The investment return on GCF Trust Fund balances during the CY 17 (Jan 1, 2017 to December 31, 2017) was 1.48%. The performance was strong across all asset classes in the portfolio during the year.