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Baseline on the overall portfolio of accredited entities

Summary

In paragraph 35 of the GCF Monitoring and Accountability Framework, adopted in decision B.11/10, to advance the goal of the GCF to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development, the re-accreditation decision by the Board will take into account the Secretariat and Accreditation Panel's assessment of the extent to which the accredited entity's overall portfolio of activities beyond those funded by the GCF has evolved in this direction during the accreditation period.

In accordance with decision B.12/30, paragraph (d), in which the Board requested the Accreditation Panel to establish a baseline on the overall portfolio of accredited entities, this document presents information on the Accreditation Panel's work towards establishing such a baseline.

I. General mandate

1. In paragraph 35 of the GCF Monitoring and Accountability Framework, adopted in decision B.11/10, to advance the goal of the GCF to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development, the re-accreditation decision by the Board will take into account the Secretariat and Accreditation Panel's ("AP") assessment of the extent to which the accredited entity's overall portfolio of activities beyond those funded by the GCF has evolved in this direction during the accreditation period.

2. In decision B.12/30, paragraph (d), the Board requested the AP to establish a baseline on the overall portfolio of accredited entities (AEs).

3. In decision B.14/08, paragraph (g), the Board requested the AP to report at the fifteenth meeting of the Board on progress made towards establishing a baseline. The AP provided a progress report contained in annex I of the AP's report to the Board at its fifteenth meeting (document B.15/Inf.05).

4. This document presents information on the AP's work towards establishing such a baseline.

II. Linkages with decisions and other documents

5. This document has actual or potential linkages with the following items:

(a) "Guiding framework and procedures for accrediting national, regional and international implementing entities and intermediaries, including the Fund's fiduciary principles and standards and environmental and social safeguards" (decision B.07/02);

(b) "Guidelines for the Operationalization of the Fit-for-purpose Accreditation Approach" (decision B.08/02);

(c) "Consideration of accreditation proposals" (decisions B.09/07, B.10/06, B.12/30, B.14/09, B.14/10, B.14/11, B.15/09, B.17/13 and B.18/05);

(d) "Accreditation master agreements" (decision B.12/31);

(e) "Reports from committees, panels and groups of the Board of the Green Climate Fund" (document GCF/B.15/Inf.05); and

(f) "Initial results management framework of the Fund" (decisions B.07/04 and B.08/07).

III. Baselines and re-accreditation

6. The first entities accredited by the GCF were accredited in decision B.09/07 in March 2015. With an accreditation period of five years,[1] the re-accreditation process of these first entities would be starting in 2019 and 2020. The Secretariat and AP are currently developing a process for re-accreditation. The re-accreditation process will take into account Board decisions on factors to be taken into account at re-accreditation, such as those on:

(a) The accreditation framework and fit-for-purpose approach,[2]

[1] Annex I to decision B.07/02.
[2] Decision B.08/02.

(b) engagement with GCF, particularly reflected through reporting requirements at the institutional level (e.g. annual self-assessments and mid-term reviews of accreditation); and

(c) The Secretariat and AP's assessment of the extent to which the AE's overall portfolio of activities beyond those funded by the GCF has evolved in the direction towards low-emission and climate-resilient development pathways in the context of sustainable development during the accreditation period, for which baselines are to be established. This assessment would be supported by information on the extent to which AEs have reduced investments in and the implementation of carbon-intensive projects and/or increased investments in and the implementation of mitigation and adaptation projects during the period they are accredited to GCF, as well as by the estimate of the change in greenhouse gas (GHG) emissions across the AEs' overall portfolio of projects/programmes and climate resilience of adaptation activities during the same period.

IV. Approach and summary of baseline methodology

7. To establish a baseline, the AP had identified potential indicators, potential methodologies for mitigation and adaptation, reporting methods and tools in its report to the Board in document GCF/B.15/Inf.05. To progress its work, the AP in July 2018 procured a consortium of consultancy firms ("consultants") to support development of options for baseline methodologies for mitigation and adaptation.

8. The process of defining the appropriate baseline approach to the portfolio of AEs was conducted in four phases:

(a) Analysis of AEs and their approaches and methodologies to establishing a baseline for their overall portfolio;

(b) Development of an indicator tool;

(c) Consultation with relevant stakeholders; and

(d) Analysis of findings and development of a pilot approach for implementing the indicator tool.

9. During the first phase, an analysis was conducted that contained an overview of the different types of AEs, their scope of business, an overview of financial and non-financial instruments employed by the AEs and their progress towards low-emission and climate-resilient development across all activities in the portfolio of AEs. The AP, in consultation with the consultants and the Secretariat, decided that the baseline methodology would build upon the information on three categories of project types in the portfolio of AEs:

(a) Mitigation projects (including those financed by the GCF and beyond those financed by the GCF);

(b) Adaptation projects (including those financed by the GCF and beyond those finances by the GCF);

(c) "Carbon intensive", i.e. fossil fuel projects, including the implementation of fossil fuel extraction and combustion technologies, e.g. coal mining and/or coal-fired power plants.

10. The AP also decided that the approach should allow aggregation of project-level information to the portfolio level.

11. Subsequently, as a second phase of the assignment, an indicator tool was developed as a core part of the approach (refer to Annex I for the list of indicators included in the tool). The tool provides an overview of indicators that AEs could apply for reporting on the impacts of

mitigation and adaptation projects and to report on carbon-intensive projects at the project level. The tool also illustrates how information from the project level would be aggregated to the portfolio level to report progress towards low-emission and climate-resilient development at that level.

12. The main reference used for identifying suitable indicators for the indicator tool was the GCF Performance Measurement Framework (PMF).[3] The PMF covers eight expected results defined by the GCF (four for adaptation and four for mitigation), including, for example, indicators like tonnes of carbon dioxide equivalent (CO_2e) mitigated or improvements in resiliency capacity of vulnerable population. In addition to these indicators contained in the PMF, further suitable indicators were identified by the consultants through a comprehensive literature research and expert judgement for the purposes of this mandate on establishing a baseline on the overall portfolio of AEs. This included, for example, reviewing the Results Framework and Baselines Guidance of the Adaptation Fund,[4] the Clean Development Mechanism (CDM)[5] and the GHG Protocol for Project Accounting,[6] among others.

13. The indicator tool was developed as a functional and user-friendly interface that would aggregate information presented by each AE about their mitigation, adaptation and carbon-intensive projects to the final indicators selected at the portfolio level.

14. The tool contains a section on aggregated financial information of the AE, such as amount of finance allocated by the AE per financial instrument used (e.g., grant, equity, guarantee and debt) for different years during the accreditation period. The second section included in the tool is on the results for each indicator across all projects of the same type (e.g. adaptation, mitigation or carbon-intensive). The third section provides an overview of relevant frameworks that include best-practice methodologies to determine project-specific values for various important indicators included in the tool.

15. The third phase of the baseline approach study was the consultation phase. The consultants presented their initial findings and the indicator tool during four webinars to AEs, Board members (including their advisors), national designated authorities and Observer organizations on 24 and 27 August 2018. The number of participants in each of these four groups for the webinars was 26, four, 16 and 32, respectively. During the webinars AEs and stakeholders were given the possibility to raise comments and questions during a questions and answers session. After the webinars, the webinar presentation and the indicator tool were sent to the AEs and stakeholders by the GCF, for their review and comments. The aforementioned AEs and other stakeholders were also requested to participate in an online survey on their current GHG emissions reporting practices (refer to Annex I for examples of the survey questionnaires), as well as to provide their detailed comments and feedback on the tool, until 31 August and September 2018, respectively.

16. The survey findings indicate that the participants from AEs and other stakeholders support the general objective of GCF to assess progress of an individual AE's portfolio towards

[3] The PMF is contained in annex VIII to decision B.08/07, paragraph (a). Subsequent decisions to defer consideration of the further development of indicators in the performance measurement frameworks were taken in decisions B.12/33 and B.13/34.

[4] The Adaptation Fund Board in its decision B.10/13 adopted the approach to implementing results based management, outlined in the document AFB/EFC.1/3/Rev.2, to be implemented in the Adaptation Fund (refer to <https://www.adaptation-fund.org/wp-content/uploads/2015/01/AFB%2010%20Rev.1%20final%20report_9_7_10.pdf>. The Adaptation Fund has developed the "Results Framework and Baseline Guidance: Project-level", available at <https://www.adaptation-fund.org/wp-content/uploads/2015/01/Results%20Framework%20and%20Baseline%20Guidance%20final%20compressed.pdf>.

[5] Refer to <http://cdm.unfccc.int/methodologies/index.html>.

[6] Refer to <https://ghgprotocol.org/standards/project-protocol>.

low-emission and climate-resilient development. The majority of participants (including AEs and other stakeholders alike) expect to see a detailed approach implemented under a pilot phase for the upcoming re-accreditation process. All participants agreed that there should be differentiation between types of AEs in terms of implementation timeline and levels of ambition in terms of scope of activities to be covered under the reporting required. The most significant comment on the indicator tool from the AEs was that AEs already report for some or all of their projects in their portfolio according to their own or third-party frameworks and that these frameworks do not necessarily match the indicators included in the indicator tool. The AEs also raised their concerns that implementation of the reporting of some of the indicators would be very time consuming. Observers largely found the indicator tool useful, but commented that the tool might be too narrow to account for a whole portfolio shift, and that it focused too much on the PMF.

17. During the fourth phase the findings from the three previous phases were taken into account and recommendations for piloting the approach were developed.

18. Details are contained in Annex I to this document.

V. Next steps

19. The baseline for the AEs that were accredited at the ninth and tenth meetings of the Board held in 2015 and that would seek re-accreditation to the GCF in 2020 will need to be established by the end of 2019 and beginning of 2020, respectively.

20. Taking into account this timeframe, the AP will undertake the following next steps towards establishing the baseline:

(a) The AP will identify AEs that were accredited in 2015 and after in order to select a set of up to five AEs, reflecting a balance of diversity, including types of AEs and equitable representation of different geographical/regional areas, to pilot the implementation of the proposed baseline tool. ;

(b) Once the AP agrees on the set of AEs for piloting the baseline tool, the selected AEs should start implementing the tool to develop the baselines for the projects and investments portfolio with regard to climate change mitigation and adaptation; and

(c) The baseline development can either be conducted by the AE itself, or with a support of a consultant that can train and assist the entity in the process of utilizing the tool, including appropriate data collection and aggregation and calculation of indicators contained in the tool.

21. Training for the AEs to apply the tool may be required, which could be conducted by external consultants in a workshop format that would be available for all accredited and applicant entities that are in Stage II (Step 1) of accreditation process at the time of organizing the workshop.

22. Taking into account the results of the pilot phase, the AP will proceed as follows:

(a) The AP will present to the Board the progress on piloting the baseline tool at the twenty-second meeting of the Board;

(b) The consultant, under the guidance of AP, as necessary, will provide the necessary corrections and/or updates to the tool on the basis of the information and data received from the AEs in the pilot stage. This may include, if applicable and relevant, those comments received from the AEs and other stakeholders during the third and fourth stages of the baseline development studies.

(c) Between the twenty-second and twenty-third meetings of the Board, the AP, with the support of the Secretariat as needed, will finalize the baseline tool. The finalized tool will include reference to the appropriate calculation and data aggregation methodologies for specific areas of mitigation and adaptation activities, as well as guidance to AEs on how to apply the tool to various types of entities and projects.

(d) After the twenty-third meeting of the Board, the AP will launch the implementation of the baseline tool across all AEs prior to the re-accreditation with the objective to provide information on the outcomes of the tool at the time of the recommendation for re-accreditation submitted for the Board's consideration; and

23. Applicants that are in or are progressed to Stage II (Step 1) of the accreditation process will be advised to consider the baseline tool and prepare for development of their baseline as early as possible during the first year of their accreditation.[7]

24. The expected deliverables of the pilot implementation stage as referenced in paragraph 20 above will include:

(a) Information on the available and already-applied methodologies of calculating GHG emissions and mitigation and adaptation benefits at the level of the entity's activities, projects/programmes developed or financed by the entities;

(b) Recommendation on the appropriateness of the applied methodologies used at the entity's project portfolio level, as well as on the continuation or change of the applied methodologies;

(c) Level of coverage of the mitigation and adaptation projects and programmes developed or financed by the entities by applying methodologies for calculation of GHG emission reductions and adaptation benefits;

(d) Recommended methodologies for the areas of the mitigation and adaptation that are not covered by the entities' current practices. For example, the entity may conduct the analysis of GHG emissions generated from the energy generation project portfolio, but would not cover the transport and construction sector emissions. As another example, the entity may calculate GHG emissions reductions from mitigation projects, but not take into account their adaptation benefits; and

(e) Baseline indicators calculated for the pilot set of AEs, such as: GHG emissions across the entity's projects portfolio (tonnes of carbon dioxide equivalent); GHG emissions in relation to the investments into the projects (carbon dioxide equivalent per United States dollar); adaptation indicators of the projects portfolio (e.g., number of persons received specific benefits, number of species saved, etc.).

25. Although the AEs expected to be included in the piloting phase of the baseline tool were those accredited in March and July 2015, for the simplification of calculating the baseline the AP suggests that the indicators mentioned in paragraph 24(e) above should be estimated for the calendar year beginning in 2015 and for the comparison year beginning in 2019.

26. It is expected that usage of the tool, for example in cases where the AE may choose to procure a consultant to support the calculation of the baseline through using the indicator tool, could incur certain costs, depending on the size of the entity, number, scale and complexity of projects and programmes implemented or financed by the entity, and number of financial instruments applied in the project/programme financing models.

27. The AP recommends that financial support, such as through the GCF Readiness and Preparatory Support Programme, could be provided to direct access AEs in order for them to receive the necessary training and implement the indicator tool.

[7] This assumes that the applicant completes the Stage II (Step 1) review by the AP, is recommended by the AP for and accredited by the Board in Stage II (Step 2), and completes signing of the accreditation master agreement in Stage III of accreditation.

Annex I: Report on methodology options to establish a baseline on the overall portfolio of accredited entities

The report on methodology options to establish a baseline on the overall portfolio of accredited entities is contained below.

Development of Baselines of GHG Emissions and Climate Resilience of Accredited Entities´ Portfolio of Activities

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Abbreviations

AE	Accredited Entity
AMA	Accreditation Master Agreement
AP	Accreditation Panel
CSO	Civil Society Organization
DFIs	Development Finance Institutions
DG DEVCO	Directorate-General for International Cooperation and Development
E&S	Environmental & Social
ESS	Environmental and social safeguards
GCF	Green Climate Fund
GEF	Global Environmental Facility
GHG	Greenhouse gas
LDCs	Least Developed Countries
MAF	Monitoring and Accountability Framework
MDB	Multilateral Development Bank
NDA	National Designated Authority
SIDS	Small Island Developing States
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change

1. Background

The Green Climate Fund (GCF or "the Fund") is a multilateral climate fund created in 2010 under the United Nations Framework Convention on Climate Change (UNFCCC). The GCF is a formal operating entity of the UNFCCC's Financial Mechanism, and anticipated to evolve into one of the main channels for long term climate finance. The Fund aims to promote a paradigm shift towards low-emission and climate-resilient development. Furthermore, its objective is not only to provide funding for developing countries for mitigation and adaptation, but also to continue capacity building throughout the lifecycle of the countries' engagement with the GCF (GCF, 2018a). A National Designated Authority (NDA) acts as an interface between the government and the GCF, allowing country ownership during the process. Rules and procedures are still at an early stage and are in continuous evolution as the Fund gains operational experience and scales up its funding activities.

The GCF aims at an equitable geographical balance among recipient countries, taking into account the needs and circumstances of the most vulnerable countries. Consequently, Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African states are the main focus of funding.

The financial instruments provided by the Fund include grants, loans, guarantees and equity. These instruments finance a project portfolio that is implemented by partner organizations known as Accredited Entities (AE). Allocation of funds to projects started in 2015. Until June 2018, the GCF has committed US$ 3.7 billion to 76 projects, which have a combined financing volume of US$ 13 billion (GCF, 2018b), address 217 million beneficiaries and mitigate 1.3 billion tonnes of CO_2 equivalent.

To date, 59 entities were accredited with the Fund for a five-year period (GCF, 2018c). This means they are generally eligible to submit financing proposals to the Fund and channel its resources to projects and programmes in eligible countries. The group of AEs is very diverse; e.g. ranging from international private banks to national development banks. Some of them do not have a track record as financial institutions but operate as grant management institutions (e.g. the GIZ). Therefore, not all AEs are eligible for all funding instruments and also the scale of projects can be limited. Currently, more than 200 entities seek accreditation.

The Accreditation Panel (AP) has been established through the adoption of its terms of reference during the 7th GCF Board meeting in 2014. Its mandate is to review individual accreditation applications and provide its expertise in fiduciary principles and standards, environmental and social safeguards, and internationally recognized good practices in accreditation to the Board (GCF 2014). Although both the GCF Secretariat and the Board are involved in the accreditation process, it is the AP which provides in-depth assessments of individual applications for accreditation. This section will briefly describe the accreditation process and the AP's involvement.

Eligible entities which apply for accreditation to the GCF include international, regional, national and subnational entities from both the public and private sector. They can apply for accreditation through one of two channels of access. Regional, national and sub-national entities apply through the 'direct access modality', which requires them to enclose a confirmation of their nomination through the NDA to the application. Entities applying through the direct access modality are in some cases eligible to receive readiness and preparatory assistance in order to meet the accreditation requirements. International entities such as UN organizations and international development finance institutions (DFIs) apply via the 'international access modality'.

The goal of the accreditation process is to assess whether applicants have the capacity to employ adequate financial management procedures while avoiding violation of social and environmental standards. More specifically, the GCF evaluates the entity's ability to (1) meet basic fiduciary standards, (2) apply environmental and social safeguards, and (3) consider gender issues in their operations. It also serves to sort the applying entity into categories that are 'fit-for-purpose', ranging from project size (micro to large projects) to options of fiduciary management (grant award, lending, equity, guarantees).

The accreditation process comprises three stages (see Figure 1). After submission of the application documentation, the GCF Secretariat conducts a completeness check (Stage I) to screen whether the applicant has provided sufficient information about internal guidelines, policies and procedures. If the application documents are incomplete or specific questions arise, the GCF will contact the applicant for clarification. After the application is considered complete it will move to stage II and be presented to the AP (GCF, 2018d).

Figure 1: Three stages of accreditation process

Source: GCF, 2017

Stage II of the accreditation process is subdivided into two steps. Step 1 comprises the review of the application through AP and the recommendation to the Board. The review may involve assistance through external experts, clarifying interactions with the applicant, as well as site visits. If the AP identifies gaps, such as shortcomings within certain processes or policies, it can recommend conditions for accreditation. The entire review process is envisaged to last 6 months. If an entity has already been accredited with Directorate-General for International Cooperation and Development – EuropeAid of the European Commission (DG DEVCO), the Global Environmental Facility (GEF), or the Adaptation Fund, it is eligible to enter the fast track accreditation process which has a duration of only three months. When the application review is considered complete, the Board will decide whether accreditation is granted at one of the three yearly Board meetings.

After approval, the legal arrangements will be decided in Stage III. This involves the development and signature of an Accreditation Master Agreement (AMA) between the entity and the GCF. The purpose of AMAs is to agree on the terms that determine how the entity is allowed to use GCF resources over the accreditation period of 5 years.

The GCF has established a monitoring and accountability framework (MAF) for accredited entities, which sets out monitoring and evaluation provisions of AEs on two levels (GCF, 2018d):

(1) Monitoring of AE's funded activities; and
(2) Compliance of AEs in relation with its accreditation and re-accreditation process.

With the first AEs accredited during the 9th meeting of the Board in 2015, re-accreditation will become relevant in in 2020 for the first time. The development of the re-accreditation process has been initiated by the Secretariat and the AP and will build on the existing accreditation framework and standards (GCF, 2018d). Decision B.11/10 outlines the initial assessment steps that ensure AEs meet their accreditation standards over time. After the 5-year accreditation period has ended, the AEs can either apply for re-accreditation in the same project size categories or apply for an upgrade to a higher category. Documentation provided by the AEs and the Secretariat over the five years will serve to inform the re-accreditation assessment through Secretariat and AP. Such documentation comprises (GCF, 2015):

1. annual self-assessments of their compliance with the GCF fiduciary standards, environmental and social safeguards (ESS) and gender policy;[1]

2. a small mid-term review implemented by the Secretariat to check the compliance performance of the AE; and

3. optional ad hoc compliance reviews.

The re-accreditation review process will also take into account the GCF's risk-based monitoring approach, which includes the development of a flag-based early warning system. These flags summarize the perceived risk on the level of individual projects, AEs and countries. Depending on the accreditation status desired by the AE and on the outcome of the assessment, the AP will recommend a higher, unaltered, or lower accreditation status to the Board (GCF, 2015).

Notably, the re-accreditation decision through the Board is required to consider whether the AE's overall activities have evolved in a way that align with the GCFs mandate. Specifically, par. 35 of the Decision B.11/10, states that "*In accordance with decision B.10/06, paragraph (j), to advance the GCF's goal to promote the paradigm shift towards low-emission and climate-resilient development pathways*

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[1] By the end of 2017, twenty-two AEs have been requested submit annual self-assessments. Eleven AEs have provided their annual self-assessment as of 31 May 2018. The Secretariat is collaborating with the self-assessments that are still outstanding (GCF 2018d).

in the context of sustainable development, the re-accreditation decision by the Board will take into account the Secretariat and Accreditation Panel's assessment of the extent to which the AE's overall portfolio of activities beyond those funded by the GCF has evolved in this direction during the accreditation period".

At the 15th meeting of the Board of the Fund (B.15) in December 2016 the AP proposed that the complete portfolio of an AE and any other entity accredited in the future should be monitored with regards to:

- greenhouse gas ("GHG") emissions directly associated with the assets on its balance sheet, (not only those that include GCF instruments), and
- resilience to climate change that the assets can be assumed to be exposed to.

2. Objective of assignment

Against the above described background, it is the objective of this report to recommend a baseline methodology that allows to assess progress of AEs' portfolios towards low-emission and climate-resilient development. Additionally, the goal is to describe how the recommended baseline methodology can be applied in a pilot testing phase with selected AEs[2].

The GCF has specified that the baseline methodology should ideally be conceptualized in such a manner that it:

- allows to assess progress of AEs towards contribution to low carbon and resilient society;
- makes use of indicators and the indicators can be aggregated across all AEs;
- makes use of quantitative indicators, where possible.

[2] This report is an Annex to a reported submitted to the GCF Board for consideration during B.21 in the Kingdom of Bahrain, 23rd-25th October 2018.

3. Approach to the assignment

It is important to note that the term “baseline methodology“ is ambiguous, as it has different meanings in different contexts. In this assignment baseline methodology means an approach that allows the GCF to assess progress of an individual AEs’ portfolio towards low-emission and climate-resilient development that can be applied to all types of AEs. **To avoid any confusion with other meanings of the term “baseline methodology”, the term “approach” is therefore used instead.**

The assignment went through four phases.

During the **first phase** an analysis was conducted that contained an overview of different types of AEs, their scope of business, an overview of financial and non-financial instruments employed by AEs and a discussion of approaches to determine progress towards low-emission and climate-resilient development across all activities in the portfolio of AEs. The **interim report** is attached as Annex I.

After intensive consultation with the GCF, it was decided that the baseline methodology to be developed should build on information of the following three project types in the portfolio of AEs:

- Mitigation projects (including and beyond those financed by the GCF)
- Adaptation projects (including and beyond those financed by the GCF)
- “Carbon intensive” projects

It was also decided that the approach should allow aggregation of project-level information to the portfolio-level. This vision differs from the view of the interim report that was more focused on a global portfolio approach and delved into the carbon footprint of entities and climate change risks more than on mitigation and adaptation benefits.

Subsequently, as a **second phase** of the assignment, an **excel-based indicator tool** was developed as a core part of the approach. It provides an overview of indicators that the AEs could apply for reporting on the impacts of mitigation and adaptation projects and to report on carbon intensive projects at project-level. The tool also illustrates how the information from the project-level would be aggregated to the portfolio level to report progress towards low-emission and climate-resilient development at that level.

The **third phase** was the **consultation** phase. The indicator tool was presented to AEs and other GCF stakeholders on 24th and 27th August 2018 during four webinars. During the webinars the AEs/stakeholders could raise comments and questions during a Question & Answers session. After the webinars AEs/stakeholders received the webinar presentation and the indicator tool from the GCF and were asked to provide their detailed comments and feedback in an online survey until 31st August (deadline for AEs, NDAs and GCF Board members) and 3rd September (deadline for CSOs).

During the **fourth phase** the findings from the three previous phases were taken into account and **recommendations for piloting the approach** made.

The further structure of this report is as follows:

- Chapter 4 contains a description of the indicator tool
- Chapter 5 provides an overview of the webinars and the main findings from the webinars
- Chapter 6 provides recommendations for piloting the approach based on the consultation findings
- Chapter 7 provides examples for indicator reporting based on the indicator tool for a mitigation and adaptation project

4. Description of the indicator tool

As it has been mentioned before, the tool includes a set of indicators that the AEs would eventually use for reporting on the impacts of mitigation and adaptation projects and to report on carbon intensive projects at project-level. The tool also illustrates how the information from the project-level would be aggregated to the portfolio level to report progress towards low-emission and climate-resilient development at that level.

4.1 References for indicator selection

The main reference used for identifying suitable indicators for the indicator tool were the ***Performance Measurement Frameworks (PMF)*** of the GCF. It is a methodological framework developed by the GCF as part of the Monitoring and Accountability Framework (MAF) and aims to evaluate the impacts of the mitigation and adaptation projects funded by the GCF. The PMF covers the 8 subsectors defined by the GCF (4 for adaptation and 4 for mitigation), including for example indicators like tonnes of CO_2e mitigated or improvements in resiliency capacity of vulnerable population. Even though it is still being work in progress, the PMFs presents a natural starting point for the GCF approach.

Additional to the PMF indicators, further suitable indicators were identified through a comprehensive literature research and expert judgement. This included for example Results Framework and Baselines Guidance of the Adaptation Fund, the Clean Development Mechanism (CDM) and the GHG Protocol for project Accounting, among others.

4.2 Sections of the indicator tool

The indicator tool was developed as a functional and user-friendly interface that would aggregate the information presented by each AEs about its' mitigation, adaptation and carbon intensive projects to selected final indicators at portfolio level. At this moment, it is an excel-based tool, but it has the potential to be developed in the future into a web-based tool.

The tool contains the following sections:

a. ***Introduction***: this introductory section presents the **general context of the tool** explaining the background and purpose of it. It also describes how and where the information should be inserted following below instructions (colour code).
b. ***Yearly information:*** in these sections the project-level indicator information needs to be filled (for year 0 before accreditation and years 1 to 5 of the accreditation period) according to the project types adaptation, mitigation and carbon intensive
c. ***General – financial results:*** this section provides the outcome of the analysis from a financial perspective. It aggregates the information provided by the AEs in the adaptation, mitigation and carbon intensive sheets. This aggregated information has the purpose to compare the

amount of finance allocated by the AEs on the three project types per financial mechanism used (grant, equity, guarantee and debt) for different years during the accreditation period.

d. ***Adaptation Results/Mitigation Results/Carbon Intensive Results:*** the results sheets aggregate the results for each indicator across all projects of the same type (adaptation, mitigation or carbon intensive). Some of the indicators are aggregated as a total, some are aggregated according to the sectoral scope of the GCF (see below).

e. ***Frameworks:*** This section provides an overview of relevant frameworks that include best-practice methodologies to determine project-specific values for various important indicators included in the tool.

4.3 Instructions for filling the tool following the colour code

Cells in the indicator tool have been coloured to instruct the AEs on how to use the tool. The colour code is explained in the below table.

Table 1: Colour code

	White cells are the ones that **should** be filled by each AE.
	The cells in orange **do not** have to be completed by the AE. These will be completed automatically based on the information provided by the entity.
	Coloured indicators are the ones that will be considered in the calculation/aggregation of the final results.
	Indicators in white, refer to the processes/methodologies used to calculate the indicators and any explanatory information.
	Indicators coloured in pink are the indicators that corresponds to the Performance Measurement Framework (PMF) of the GCF.
	Indicators framed in red, are additional indicators that are especially complex to be reported on (and for example could be presented by the advanced AEs).

4.4 Sectoral scopes

In guideline with the sectors that have already been established by the GCF for mitigation and adaptation, the tool was built based on these and to aggregate results by subsector. As well, considering that one sector could cover different subsectors, the Consultant listed a series of subsectors from which the AE could choose to categorize each project. These were defined based on some of the frameworks and the expertise of the consultants.

Sectors and sub-sectors are presented in the table below.

Table 2: Adaptation Sectors defined by the GCF

Adaptation			
Livelihoods of people and communities	Infrastructure and built environment	Ecosystems and ecosystem services	Health, food and water security

Table 3: Mitigation Sectors defined by the GCF

Mitigation			
Energy generation and access	Buildings, cities, industries and appliances	Transport	Forests and land use

Table 4: Carbon intensive sectors

Carbon intensive
• Fossil fuel fired power plants • Energy intensive industries (iron and steel, cement, chemicals, pulp and paper, non-ferrous, food processing, textiles and leather, mining)

4.5 Overview of indicators

As explained above, project-level indicator information needs to be filled into the sections with the name **year** (for year 0 before accreditation and years 1 to 5 of the accreditation period) according to the project types adaptation, mitigation and carbon intensive. Currently, the tool includes a total of 124 indicators (adaptation: 62 indicators; mitigation: 57 indicators; carbon intensive: 5 indicators) grouped in three categories:

a. ***General information:*** includes all indicators relating to amounts financed and disbursed, population benefited and impact on local policies.
b. ***Additional general information:*** includes indicators that ask for general additional information like the climate risks assessment.
c. ***Sectors:*** this section includes all sector-specific indicators.

In the charts below the individual indicators for the different project types (adaptation, mitigation and carbon intensive) and the related sectors are presented. As mentioned before, the indicators in pink are the ones that refer to the PMF and the ones framed in red are those that could be considered to be provided by advanced AEs.

Table 5: Adaptation indicators 1.

General information
Total amount of the projects (USD)
Total amount disbursed by the AE (USD)
Total population
Total number of direct beneficiaries
Average beneficiaries as % of the total population
Average % of women directly benefited of the total beneficiaries
Number of projects with a vulnerability assessment of the target population
Number of projects that had an impact on the local policy regarding climate change

Additional general information	
Total number of projects that have evaluated their climate risks	
Total Saved wealth of the project (USD)	
Saved health of the project (DALYs)	
Total number of projects that have calculated the tonnes of carbon dioxide equivalent generated by the project	
Total amount of tonnes of carbon dioxide equivalent generated by the projects	
Average	$\frac{tCO_{2eq}}{USD\ invested}$

Livelihoods of people and communities
A1.2 Total number of people adopting climate resilient livelihood options
A1.2 Average % of women adopting climate resilient livelihood options
A8.1 Average % of targeted population aware of predicted adverse impacts of climate change and appropriate responses
A7.1 Total number of people adopting climate resilient technologies and practices
A7.1 Average % of women adopting climate resilient technologies and practices
Total avoided lives losses
Average % of avoided women´s lives losses
Avoided economic losses (USD)
Number of projects for which they have been measured the economic improvement of the beneficiaries
Average income improvement (USD/per person)
Total infrastructure built for the project
Total value of the infrastructure built (USD)

Table 6: Adaptation indicators 2.

Infrastructure and built environment
A3.1a Total number of new climate resilient - physical assets built
Total value of the new physical assets
Total value at risk (new physical assets)
Total number of infrastructure strengthened
Total value of infrastructure strengthened
Total value at risk of the infrastructure strengthened
Total number of projects for which adaptation measures have been identified
Total value of the adaptation measures

Ecosystems and ecosystem services
A4.1 Total number of ecosystems restored
A4.2 Total number of ecosystems protected
Total number of natural resources restored
Total number of natural resources protected
Total number of people directly benefited from the natural recourses and ecosystems
A4.2 Economic benefits of the restoration and protection of the ecosystems and natural resources (USD)
Total endangered species protected (Animals)
Total endangered species protected (Plants)

Health, food and water security
Total number of health infrastructure built
Total value of the health infrastructure built (USD)
A2.1 Total number of people benefited from health measures
A2.1 Average % of women benefited from health measures
A2.1 Average % of children under 5 benefited from health measures
Total avoided lives losses
Average % avoided women´s lives losses
Average % avoided children under 5 lives losses
Total reductions in visits to hospitals (climate related diseases)
Average % reductions in women´s visits to hospitals (climate related diseases)
Average % reductions in children under 5 visits to hospitals (climate related diseases)
A.2.2 Total number of people benefited from food security measures
A.2.2 Average % of women benefited from food security measures
A.2.2 Average % of children benefited from food security measures
Total reduction of hunger indicators (related to climate change-food security)
Average % reduction of women- hunger indicators (related to climate change-food security)
Average % reduction of children under 5- hunger indicators (related to climate change-food security)
A.2.3 Total number of people with year round access to reliable and safe water
A.2.3 Average % of women with year round access to reliable and safe water
A.2.3 Average % of children under 5 with year round access to reliable and safe water

Table 7: Mitigation indicators 1.

General information
Total amount of the projects (USD)
Total amount disbursed by the AE (USD)
Total population
Total number of direct beneficiaries
Average -Direct beneficiaries as % of the total population
Average % of women directly benefited of the total beneficiaries
Total number of projects that had an impact on the local policy regarding climate change

Additional general information
Total number of projects that have evaluated their climate risks

Energy generation and access
Installed - MW of low-emission energy
Generated - MW of low-emission energy
Energy efficiency -Total amount of tonnes of carbon dioxide equivalent avoided and/or reduced
Low-emission power - Total amount of tonns of carbon dioxide equivalent avoided and/or reduced
Average -Energy efficiency $\frac{tCO_{2eq}\ avoided/reduced}{USD\ invested}$
Average -Low-emission power $\frac{tCO_{2eq}\ avoided/reduced}{USD\ invested}$
Total number of households an individuals with improved access to low-emission energy sources
Average % of women with improved access to low-emission energy sources
MCrC1 Total new jobs created by adopting new energy generation sources
MCrC1 Average % of jobs created (occupied by women) by adopting new energy generation sources
MCrC1 Economic benefits of improving access to energy (USD)

Table 8: Mitigation indicators 2.

Infrastructure and built environment

- Total amount of passenger transport projects financed
- Total amount freight transport projects financed
- Number of total vehicles financed for passenger transport projects
- Number of total vehicles financed for freight transport projects
- Number of total clean vehicles financed for passenger transport projects
- Number of total clean vehicles financed for freight transport projects
- M3.1 Total tonnes of carbon dioxide equivalent avoided and/or reduced by low emission transport - Passenger transport projects
- M3.1 Total tonnes of carbon dioxide equivalent avoided and/or reduced by low emission transport - Freight transport projects
- Average - Passenger transport projects $\frac{tCO_{2eq}\ avoided/reduced}{USD\ invested}$
- Average - Freight transport projects $\frac{tCO_{2eq}\ avoided/reduced}{USD\ invested}$
- Number of trips in low carbon transport - Passenger transport projects
- Average % of women´s trips in low carbon transport - Passenger transport projects
- Number of trips in low carbon transport - Freight transport projects
- MCrC1. Total economic benefits of implementing clean transport (USD)

Buildings, cities, industries and appliances

- Total tonnes of carbon dioxide equivalent avoided and/or reduced due to the improvements in building design and energy efficiency
- Building design and energy efficiency - Total amount financed (USD)
- Average - Building design and energy efficiency $\frac{tCO_{2eq}\ avoided/reduced}{USD\ invested}$
- Total tonnes of carbon dioxide equivalent avoided and/or reduced as a result of investment in climate smart-cities
- Climate smart-cities - Total amount financed (USD)
- Average- Climate smart-cities $\frac{tCO_{2eq}\ avoided/reduced}{USD\ invested}$
- Tonnes of carbon dioxide equivalent avoided and/or reduced due to the improvements in low emission industries
- Low emission industries - Total amount financed (USD)
- Average- Low emission industries $\frac{tCO_{2eq}\ avoided/reduced}{USD\ invested}$
- Total tonnes of carbon dioxide equivalent avoided and/or reduced due to the improvements in energy- efficient appliances
- Energy- efficient appliances - Total amount financed (USD)
- Average -Energy- efficient appliances $\frac{tCO_{2eq}\ avoided/reduced}{USD\ invested}$
- Total economic benefit of implementing the project - Building design and energy efficiency
- Total economic benefit of implementing the project - Smart cities
- Total economic benefit of implementing the project -Low emission industries
- Total economic benefit of implementing the project -Energy-efficient appliances

Forest and land use

- Total hectares of land or forests areas under sustainable management or improved protection and management leading to reduce GHG emissions and/or enhancement of carbon stocks
- M4.1 Total tonnes of carbon dioxide equivalent reduced or avoided and/or GHG removals by sinks (including increased removals) from REDD+ and other land use activities
- M4.1 Average $\frac{tCO_{2eq}\ avoided/reduced}{USD\ invested}$
- MCrC1. Total number of local people employed in the project
- Average % of women employed in the project
- MCrC1 Total benefits for local communities (USD)
- MCrC1 Number of endangered species (Animals) protected with the project
- MCrC1 Number of endangered species (Plants) protected with the project

Table 9: Carbon intensive indicators 1.

General indicators
Total amount of the projects (USD)
Total amount disbursed by the AE (USD)
Tonnes of carbon dioxide equivalent generated by the project
Tonnes of carbon dioxide equivalent compensated
Average $\frac{tCO_{2eq}}{USD\ invested}$

4.6 Available frameworks for indicator reporting

It is acknowledged that some of the indicators in the indicator tool are fairly straightforward to report on while other require elaborated methodologies to determine the value for a specific indicator. Therefore, in the following international frameworks are presented which include detailed methodologies how to determine value for specific indicators for each one of the project types (mitigation, adaptation and carbon intensive).

These frameworks aim to guide AEs to useful resources for indicator reporting, especially those that have less experience in this regard. However, it is worth mentioning that these frameworks are just presented as examples, as some AEs currently implement their own methodologies, which could be equally suited for reporting on some of the indicators.

The tables below present examples of frameworks, the institution which developed them, a brief summary of what they offer and a web link for further information.

Table 10: Adaptation frameworks.

Adaptation Frameworks				
No	**Name**	**Institution**	**Description**	**Link**
1	Results Framework and Baselines Guidance	Adaptation Fund (AF)	It is a guidance document developed by the Adaptation Fund as a tool for project proponents to utilize when analyzing/reporting project/program level results frameworks to submit to the Adaptation Fund. It gives guidance on how to identify the indicators, the relevant information to estimate them and some precise examples.	https://www.adaptation-fund.org/wp-content/uploads/2015/01/Results%20Framework%20and%20Baseline%20Guidance%20final%20compressed.pdf
2	Results-Based Management Framework for Adaptation to Climate Change under the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF)	Global Environmental Facility (gef)	The document presents the final results framework of the GEF Adaptation Program, guidance of the tracking tool and the climate change projects financed through the LDFC and the SCCF. It covers some of the indicators proposed in the GCF tool and gives specific indications on which information should be considered when estimating the indicator.	http://www.thegef.org/sites/default/files/council-meeting-documents/GEF-LDCF.SCCF_.17-05%2C_Updated_RBM_Framework_for_Adaptation_to_Climate_Change%2C_2014-10-08_4.pdf
3	Making Adaptation Count	GIZ and WRI	This paper provides entities developing adaptation and developing projects with a practical framework to design M&E systems that can track the impacts of the adaptation initiatives. Among other things, the paper explaining how to identify the indicators, al potential methodologies/information to consider when evaluating these.	http://www.wri.org/publication/making-adaptation-count

Adaptation Frameworks				
No	**Name**	**Institution**	**Description**	**Link**
4	Mainstreaming Adaptation to Climate Change in Agriculture and Natural Resource Management Projects	World Bank	It is a guidance note that provides information about issues related to the monitoring and evaluation of projects, mainly focusing in the identification of key aspects, selection of indicators and best practices. It is mainly focused on the agriculture and natural resource projects.	http://siteresources.worldbank.org/EXTTOOLKIT3/Resources/3646250-1250715327143/GN8.pdf
5	Saved health, saved wealth: an approach to quantifying the benefits of climate change adaptation	GIZ	This report presents an applied example about how to estimate the outcomes of the adaptation projects. It proposes a framework which involves two key indicators: saved wealth (monetary value of public infrastructure, private property and income loss) and saved health (avoided disease, disability and life loss).	https://www.adaptationcommunity.net/?wpfb_dl=139

Table 11: Mitigation frameworks.

Mitigation Frameworks				
No	**Name**	**Institution**	**Description**	**Link**
1	Clean Development Mechanism (CDM)	United Nations *Framework Convention on Climate Change*	The CDM is one of the Flexible Mechanisms of the Kyoto Protocol. It allows mitigation projects in developing countries to generate Certified Emission Reductions (CER) each equivalent to one tCO_2e reduced. CERs can be traded and sold in the international carbon market. To date, 7,805 mitigation projects covering a large amount of sectors have been registered that have generated almost 2 billion CERs. The number of project type-specific methodologies to calculate emissions reductions of CDM projects is more than 200, covering almost every project type with significant mitigation potential.	https://cdm.unfccc.int/methodologies/index.html
2	Verified Carbon Standard (VCS)	Verra	Verra´s VCS is the largest voluntary project-based GHG emission reduction framework. In the VCS mitigation projects generate Verified Carbon Units (VCUs) that entities can use to offset their own GHG emissions. More than 1300 VCS projects have been registered until now reducing over 200 million tonnes of GHG emissions. The VCS includes own methodologies for calculating emission reductions on a project type-specific basis. CDM methodologies are also eligible under the VCS.	http://verra.org/methodologies/

Mitigation Frameworks				
No	Name	Institution	Description	Link
3	Joint Crediting Mechanism (JCM)	Ministry of Foreign Affairs of Japan	The JCM is a bilateral framework from the Government of Japan to cooperate with developing countries in reducing GHG emissions on a project basis. The projects generate credits that are shared between Japan and the partner country. The JCM has its own methodologies for calculating the emission reductions. The methodologies that were specifically developed for the project types in the JCM projects carried out in the 17 partner countries. Compared to the CDM and the VCS the coverage of project types is considerably smaller in the JCM.	https://www.jcm.go.jp/methodologies/all

As in the CDM the number of methodologies is exceptionally high, the following table illustrates which methodologies are available for the different sectors defined by the GCF to report on tCO_2e reduced.

Table 12: Sectors defined by the GCF and (sub-)sectoral scopes of CDM methodologies to determine GHG emission reductions

Mitigation			
Energy generation and access	Buildings, cities, industries and appliances	Transport	Forests and land use
• RE-Biomass electricity • RE-Grid electricity • "RE- Offgrid electricity/ • isolated grids" • RE- Enhanced generation	• Infrastructure • New buildings • Retrofitting • Smart citiesIndustrial EE-Steam systems	• Bus systems • Mass rapid transit systems • High speed rail systems • Energy efficiency • Fuel switch	• Afforestation • Forest management • Deforestation reduction • Reforestation

Mitigation			
Energy generation and access	Buildings, cities, industries and appliances	Transport	Forests and land use
• RE- Captive power • RE- Thermal energy • RE- Mechanical energy • Less Carbon Intensive- Co- or trigeneration • Less Carbon Intensive- Gas • Less Carbon Intensive- Fuel cell • Less Carbon Intensive-Coal • Less Carbon Intensive- Low carbon electricity • Less Carbon Intensive- Energy efficiency • Fuel switch - Coal/oil to gas • Biofuel - Plant oil • Biofuel - Biodiesel • Bio-CNG • Hydro-power plants • Solar (electricity and thermal) • Wind power plants	• Industrial EE- Water pumping • Industrial EE- Waste gas/energy recovery • Industrial EE- Metal • Industrial EE- Boilers • Industrial EE- Chillers • Industrial EE- Kilns • Industrial EE- District heating • Industrial EE- Lighting • Industrial EE- Agriculture • "Industrial EE- Efficient motor or motor • appliances" • Industrial EE- Other/various technologies • Houses and Building EE - Cookstove • Houses and Building EE - Water pumping • Houses and Building EE - purifier • Houses and Building EE - Water saving • Houses and Building EE - Refrigerators/chillers • Houses and Building EE - Lighting • Houses and Building EE - Whole building • HCFs/PFCs and SF6 reduction	• Transportation of cargo • "Transportation of • liquid fuels" • "Technology for • improved driving" • "Electric taxing systems for • airplanes" • "Solar power for domestic • aircraft at-gate operations"	

Mitigation			
Energy generation and access	Buildings, cities, industries and appliances	Transport	Forests and land use
	• Aluminium • Chemical industry • Concrete manufacture		

Table 13: Carbon intensive frameworks

Footprinting/Carbon Intensive - Frameworks				
No	**Name**	**Institution**	**Description**	**Link**
1	The GHG Protocol for Project Accounting	World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD)	The implementation of this standard allows organizations to calculate their projects' carbon footprints, using sector- and country specific tools, as well as the total carbon footprint of the entire portfolio. Additionally, the standard allows the comparison of the carbon intensity across sectors (tCO2e). Relative indicators can be obtained and expressed in terms of tCO2e/USD.	https://ghgprotocol.org/calculation-tools
2	Greenhouse Gas Analysis at the World Bank	World Bank (WB)	The report provides detailed application examples of various methods and tools for project-level GHG analysis in the energy sector, transport and forestry sector.	http://documents.worldbank.org/curated/en/260951468330293602/pdf/697110P11055700as0Analysis00PUBLIC0.pdf

Footprinting/Carbon Intensive - Frameworks				
No	**Name**	**Institution**	**Description**	**Link**
3	ISO 14064-2: Specification with guidance at the project Level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements.	International Organization for Standardization (ISO)	The implementation of this standard allows organizations to obtain their projects' carbon footprints, as well as the total carbon footprint of the entire portfolio. Additionally, the standard allows the comparison of the carbon intensity across sectors (tCO_2e). Relative indicators can be obtained and expressed in terms of tCO_2e/USD.	https://www.iso.org/standard/38382.html
4	Guidelines for greenhouse gas emissions accounting and reporting for GEF projects	Global Environment Facility (gef)	The report provides framework and guidelines for calculating GHG emissions from various project types	http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.48.Inf_.09_Guideline_on_GHG_Accounting_and_Reporting_for_GEF_Projects_4.pdf

5. Consultation process

As part of the development of the indicator tool, four webinars were organized with different GCF stakeholders. These webinars aimed to obtain the feedback from these groups on the tool. During the webinar the stakeholders were requested to participate in a survey for the provision of detailed feedback.

5.1 Webinars

The following tables includes the detailed information of each one of the webinars held. It is important to mention that not all the participants identified themselves during the webinar and therefore the number of attendees differs form the list of names.

Table 14: Webinar 1. AEs

Webinar 1. AEs			
Date: August 24th 2018	Start hour: 13:00 (CET)	Duration: 1,15 hours	Total attendees: 36
List of attendees			
1. Audrey Chenovy 2. Aissatou Dlagne 3. Beatrijs van Manen 4. Claudia Godfrey 5. Coumba Dlop 6. David McCauley 7. Dharmender 8. Dimitry Haluboski 9. Ezra Christopher 10. Francesca Ardito Laursen 11. Ifad 12. Jeremy 13. Jonas Helrman, WFP		14. Kiran Kumar 15. Kristina Elsele 16. Igrenier 17. Mark Lutes 18. Martina Jung 19. Micol Mulon 20. Noks SANBI South Africa 21. Paul Appéré 22. Ralsa Spencer 23. Ravi Parmar 24. Rsinha 25. UN Environmental 26. Ying	
Questions asked			
1. How far in advance of the end of the 5-year period of accreditation will you request the information? 2. How can the re-accreditation be considered after 5 years when only 4 years of data (at best) would be available since accreditation? 3. Is only project finance data requested? This would be a small part of the investments of a large commercial bank´s balance sheet. 4. Who will be asked to fill the institutional stakeholders survey? Will it include CSOs? 5. How long will the assessment for reaccreditation take and can AEs apply for new projects during this time?			

Webinar 1. AEs
6. Kindly clarify whether the data should be based on a sanctioned document and the methodology used there of the methodology suggested by you? Would it be project wise or AE wise? 7. Net GHG emissions and their trading is future oriented. Is the intent to report on life projects impacts? 8. What criteria will be used to assess AE “progress”? 9. Is there a plan for validation/verification of the results reported by AEs? 10. Could you please point us to the Board documents that mandates this work? 11. Does the reporting only apply to project investments across AE portfolios? Or does it include all vehicles, guarantees, DPLs, equity, etc?

Table 15: Webinar 2. NDAs

Webinar 2. NDAs			
Date: August 27th 2018	Start hour: 13:00 (CET)	Duration: 1,15 hours	Total attendees: 4
List of attendees			
1. AGRIGNAN Esso sam 2. Diann Balck-layne (Antigua and Barbuda) 3. Santa Lucia 4. Dominica			
Questions asked			
1. Do you have an idea of the time it would take to track these indicators at a portfolio level? Just checking that this is portfolio level and not just limited to the GCF projects? 2. For the case of Caribbean islands, we are at risk for natural disasters. One hurricane can destroy several years of built infrastructure. Does the tool make allowance for the infrastructure that was built, but destroyed by natural disasters? 3. DOE accredited entity – is a governments entity – what is our “portfolio” entre Government of entre ministry? General operations of the DOE and Executing agencies? Example for the MOFEC it is the entire ministry´s portfolio? 4. Can we make it clear what is the portfolio? This would be particularly important for the Government agencies and private sector accredited entities. 5. Can the results of this study be communicated to the Readiness group at the GCF so that we can include this within the readiness for Direct Access entities. This will allow for less stress based work and time needed to collect data and analysis. 6. At a level of the UNFCCC there is a challenge on the use of the same units in reporting data will you standardize units?			

Webinar 2. NDAs
7. Each entity may use a current methodology that the country uses for the UNFCCC. This program can be challenged if you are asking them to use another methodology. But this may not be a big deal, I was just indicating that the UNFCCC it is complicated and results can be misleading.

Table 16: Webinar 3. Board members

Webinar 3. Board members			
Date: August 27th 2018	Start hour: 16:00 (CET)	Duration: 1,15 hours	Total attendees: 16
List of attendees			
1. Bengt Johansson (Sweden) 2. Bente Herstad (Norway advisor) 3. Blanka 4. Christopher Zink (Sweden advisor) 5. Frank		6. Jamie 7. Kerry Max (Global Affairs – Canada) 8. Lars 9. Lisbeth Loddewykx 10. Marjolein (NL advisor) 11. Stephan	
Questions asked			
1. In the survey, you ask us to give an opinion on the AEs level of preparation. If we don´t have sufficient info to opine, an we skip the question? 2. Could you elaborate whether this will be used for assessing AE only or also for yearly reporting to the board? 3. We will provide some direct suggestions on how to get stronger gender results from the indicators, but we would encourage other participants to think about how we could better capture the differential needs/experience of women and men as part of this exercise. 4. Have you considered to include a life cycle perspective tool? 5. Will reporting requirements differ from different types of AEs? 6. Will this tool remain in excel format? 7. With which AEs have you consulted apart from the MDBs?			

Table 17: Webinar 4. CSOs

Webinar 4. CSO			
Date: August 27th 2018	Start hour: 18:00 (CET)	Duration: 1,15 hours	Total attendees: 32

List of attendees

1. Andrej Galacenko
2. Blanka
3. Christopher Weber
4. David Eckstein
5. David Kerkhofs
6. EcoPro
7. Faustina Boakye
8. Filippo Tallente
9. Frances Fuller
10. Niranjali
11. Rachel Rojy
12. Samuel Dotse
13. Santiago (WWF)
14. Hanna Paulose (UN-Women)
15. Hansoi Park_UNCCD
16. Jerome van Rooij
17. Jonathan (IICA)
18. Kairos dela Cruz
19. Leila Dridi # OSS
20. Liane Schalatek
21. LTS International
22. Mark Lutes
23. Neha ral
24. Shradha
25. Stephen
26. Steve

Questions asked

1. For many entities, looking at project finance will only cover a small fraction of their overall portfolio. What about e.g. equity, investments and other types?
2. My understanding is the Board mandate covered a broad of definitions of portfolios, not just project finance. Other types of investment would require different methods, particularly where a use of proceeds is unknown.
3. Good to adapt sophistication of analysis to capacities of entities. Could there be a threshold of scale of overall portfolios, for example, rather than MDBs/UN vs Direct Access?
4. The decision requires benchmarking of the evolution of "overall portfolio activities". It seems that the focus of he methodologies you have presented are on project finance activities. I am wondering how it will address other financial tools and asset classes? For example, changes in corporate funding for FF companies would be an important indicator of portfolio evolution.
5. In the newly introduced energy indicators, there is a reference of low emissions energy projects. My understanding of the GCF aim is to go to the most ambitious in the neutrality in emissions energy projects, what will be the level of "low emissions" you are thinking.
6. "Carbon intensive" projects and fossil fuel related investments might exclude relevant investments in many relevant sectors. Can you capture shifts towards alignment with low carbon development in areas like buildings, transport infrastructure, etc?

Webinar 4. CSO
7. In adaptation, is the methodology only targeting GCF projects or also a larger share of AE interventions in the more climate vulnerable areas? 8. Can you clarify how the "Advanced Entities" will be identified? 9. On using PMF framework – this is still far from being finalized, for example in mitigation. For example the Sustainable Development indicator is not capture yet. But the point is more than the PMF is not finalized yet under development…

5.2 Overview of surveys

After the webinar, the GCF shared with the stakeholders two surveys developed by the consultant. The surveys had as main the purpose to obtain more detailed information about the stakeholders' perception, to gather their views on potential improvements and to evaluate the current practices implemented by the AEs when it comes to project impact assessment.

All stakeholders were given an online web link to respond to the survey having. The final deadline for feedback was 31st August 2018. In the case of the CSOs they were given time to complete the survey until 3rd September 2018 – as requested.

The complete surveys (one for AEs and one for NDAs, GCF Board members and CSOs) are provided in Annexes 3 and 4.

In the following the participating entities in the surveys as well as the outcome of the surveys are described; separated by AEs and other stakeholders.

5.2.1. AEs survey results

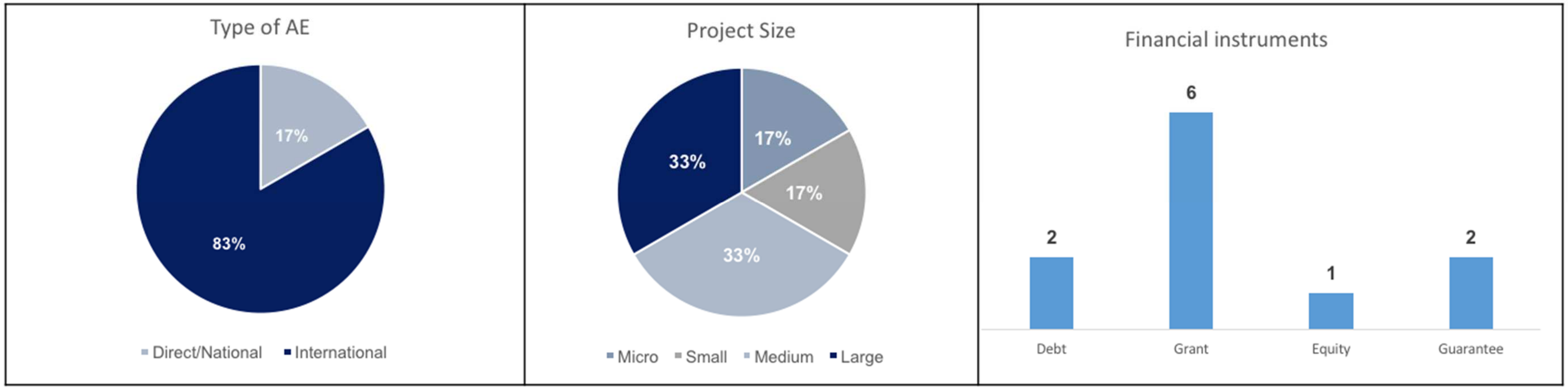
The results presented below, correspond to the answers given by the AEs. However, there are two important observations to consider regarding the results:

1. By Friday 31st of August some AEs have just completed part of the survey. Therefore, in some graphics the number of AEs responses that were considered are explicitly mentioned.
2. Some AEs completed by mistake the Institutional Stakeholder survey, therefore they missed some questions of the survey. If that was the case this is shown in the following for each graph.

Table 18: AEs – Total Number: 12

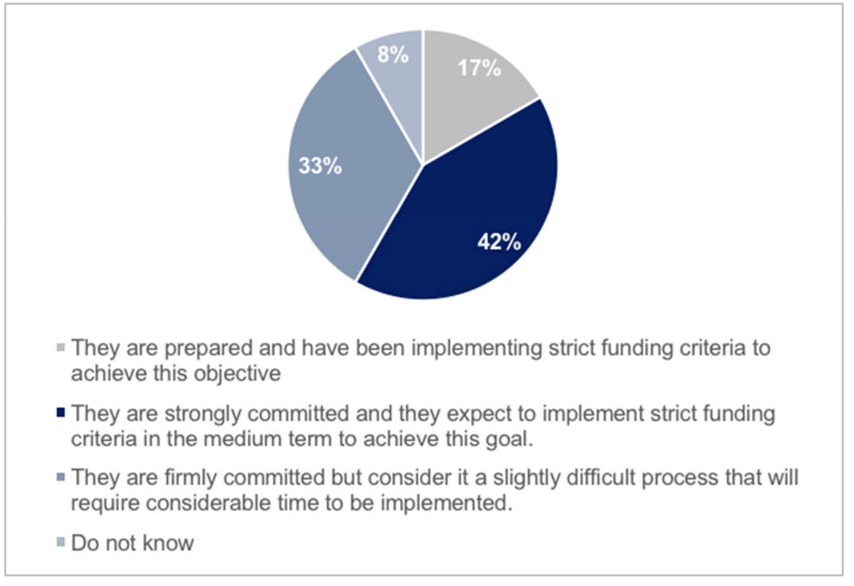
No	AE	Name	Position	Contact information	Status
1	Agence Française de Développement (AFD)	Audrey Chenevoy	Climate Change officer	chenevoya@afd.fr	Incomplete
2	Conservation International	Danielle Lien	Manager, GCF Agency	dlien@conservation.org	Complete
3	Deutsche Bank	Susanne Kern	Fund Manager	Susanne.kern@db.com	Incorrect survey / Complete
4	EBRD	Dmitry Halubouski	Associate	haluboud@ebrd.com	Incorrect survey / Incomplete
5	European Investment Bank (EIB)	Ludwig Liagre	Climate Change Specialist	l.liagre@eib.org	Incorrect survey / Complete
6	IFAD	Liza Leclerc	Climate and Environment Finance Coordinator	l.leclerc@ifad.org	Incorrect survey / Complete
7	KfW	Matthias Börner	Senior Sector Ecomomist	matthias.boerner@kfw.de	Complete
8	Observatoire du Sahara et du Sahel	Leila Dridi	Program assistant	leila.dridi@oss.org.tn	Incorrect survey / Complete
9	UNEP	Hemini Vrontamitis	Secondary Focal Point	hemini.vrontamitis@un.org	Incomplete
10	World Food Programme	Micol Mulon	Programme Policy Officer, climate finance	micol.mulon@wfp.org	Complete
11	World Wildlife Fund	Francesca Laursen	Director of Multilateral Relations & GCF	2024954294	Incorrect survey / Complete
12	YES	Dharmender	Asset manager	+91-7509087766	Complete

General context



**6 AEs considered in the results*

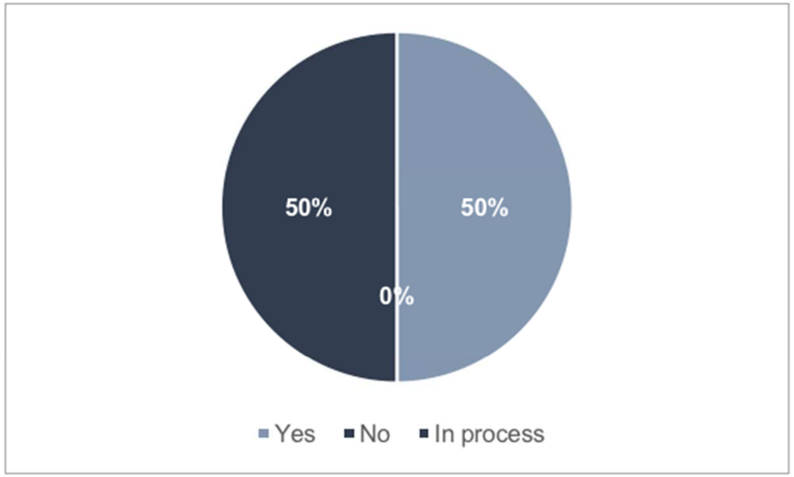
Question: Considering the GCF's intention to promote a paradigm shift towards a low-carbon and more resilient economies, do you consider that AEs are prepared to foster climate resilient and low carbon development?



Comments	
World Wildlife Fund	All of the above. Clearly other indicators are needed as the scope of the "tool" currently only covers financial instruments with a known use of proceeds like project finance. This is a very small portion of the portfolios of many AEs!As also mentioned above an important qualitative indicator should be the explicit adoption of the objectives in Article 2 of the Paris Agreement as a core and determinant element of the entity's climate policy framework. Also, Many indicators can likely be eliminated as they would be very impractical to gather for many projects. This notably includes activity factors like "number of riders of public transit", which seems outside the scope of the question at hand (alignment of portfolios with climate goals). Clearer instructions are needed for the indicators that do exist. A key consideration is the most basic question of emissions accounting for financed projects, whether the entity should be allocating emissions and/or project value based on its share of investment (and how to do so; e.g. are debt and equity stakes treated equally).
European Investment Bank (EIB)	EIB can not speak for other GCF Accredited Entities (AEs) but as far as it is concerned, several aspects of EIB climate action engagements can be pointed out, incl. through (among others): i)The EIB Climate Strategy http://www.eib.org/en/infocentre/publications/all/eib-climate-strategy.htm, ii)A target of more than 25% of total EIB lending towards Climate Action in the EU, and 35% outside the EU by 2020, iii)Efforts in tracking climate finance, with the development of joint approaches with other MDBs, iv)Development of ex-ante and ex-post climate benefits assessment approaches, v)Identification of high impact climate action projects, Etc (more information available upon request).
IFAD	It varies by AE where some are more advanced than this than others so cannot make blanket statement.

*_12 AEs considered in the results_

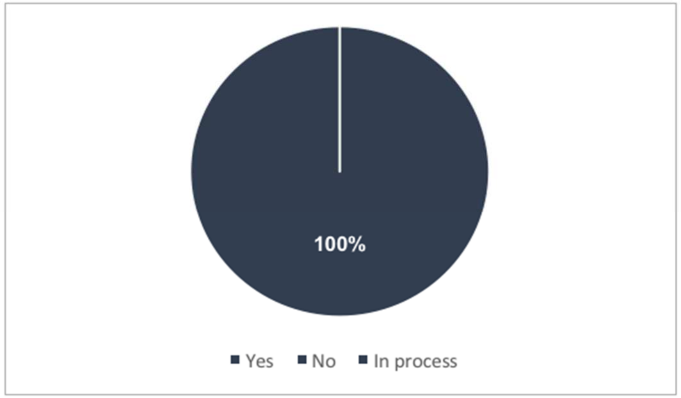
Question: Do you implement a reporting methodology to report on the impacts of mitigation and adaptation projects beyond those financed by the GCF?



Comments	
World Food Programme	Some of the projects, like the AF ones, are reported against the donors' specific methodology (AF in this case). The rest of our programmatic portfolio is reported on our Corporate Results Framework (CRF) which includes corporate indicators that are captured and reported on once a year. For mitigation, we don't have mitigation projects per se, but we measure our own carbon footprint of our offices and premises and our operations, looking at energy, transport and travel.
Conservation International	First year of standardized methodology and indicators used across CI's portfolio
Agence Française de Développement (AFD)	For now, AFD reports on the impact of mitigation projects only (carbon footprint ex-ante). For adaptation we only report on the value of projects, not the impacts.

**6 AEs considered in the results*

Question: Do you finance mitigation and adaptation projects in addition to those financed by the GCF?



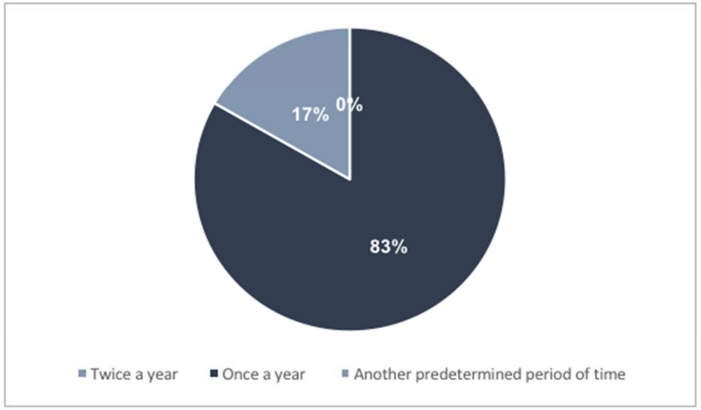
Comments	
World Food Programme	We have other adaptation projects funded by other funds and donors, such as the UNFCCC Adaptation Fund
Agence Française de Développement (AFD)	In 2017, AFD funded 124 climate projects amounting to 4 billion euros (Adaptation: 21%, mitigation: 66%, Climate public loan: 13%). AFD has just released its new and ambitious climate strategy. 50% of the projects financed at AFD have climate co-benefits. AFD is committed to provide up to 5 billion euros/year by 2020 for climate-related projects. 100% of AFD activities are compatible with the Paris agreement meaning that every project funded is coherent with long term low-carbon and climate resilient pathways.

Question: Do you finance mitigation and adaptation projects in addition to those financed by the GCF?

Responses	
YES	Yet to start
KfW	As of 2019, an improved, comprehensive agency reporting system will be implemented. It comprises 58 standardized indicators for all relevant sectors and result areas.
World Food Programme	Our entire programmatic portfolio is reported on the CRF. For our own footprint, we use the GHG Protocol. For AF projects, we use the AF methodology.
Conservation International	Indicators: carbon sequestered, carbon stored, carbon emissions avoided; # of people with increased resilience to climate impacts.
UNEP	dsa.
Agence Française de Développement (AFD)	Mitigation (carbon footprint): 1. Baseline scenario = without project; 2. Reporting scopes: Scope 1, 2 and 3; 3. GHG gases: all.

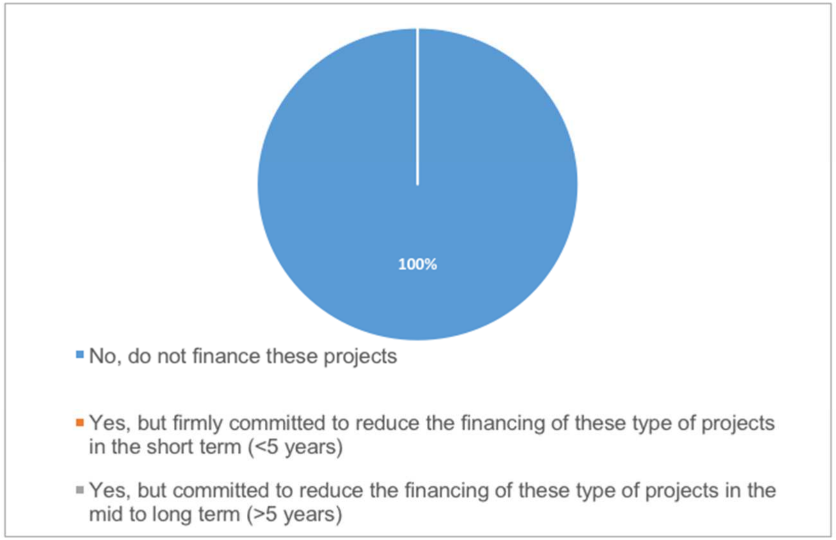
*6 AEs considered in the results

Question: How often do you report on the impacts of your mitigation and adaptation projects?



Comments	
World Food Programme	Through the CRF. A corporate annual report is created.

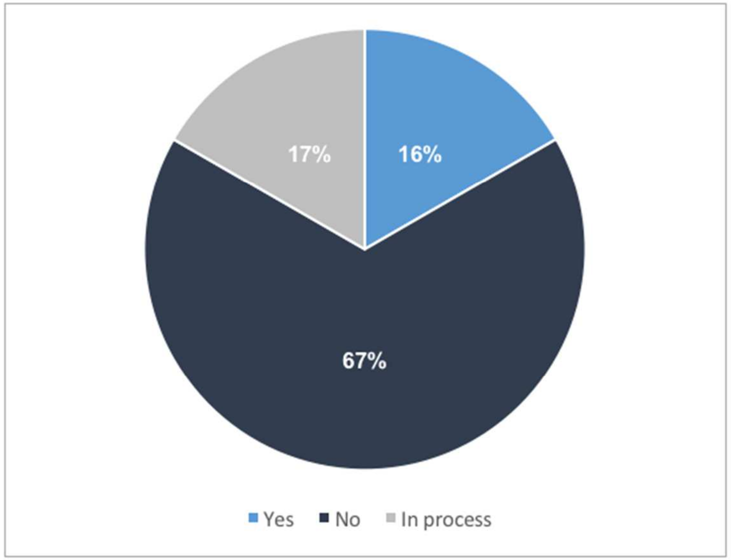
Question: Do you finance projects that can be considered as "carbon intensive" (e.g. fossil fuel fired power plants or similar)?



Comments	
KfW	KfW has a policy in accordance with the German government guidelines. Coal-fired power plants are exluded from financing.
Agence Française de Développement (AFD)	Since 2013, AFD is not allowed to finance coal based power plant project. Our definition of a carbon intensive project is when it emits more than 1million tCO2e/year. AFD, through the joint declaration IDFC/MDBs in December 2017, has committed to developing sustainable alternatives to fossil fuel investments, based on national circumstances and contexts, and prioritizing the financing of these alternatives. AFD has also committed to putting in place more explicit policies to significantly reduce reliance on fossil fuels and rapidly accelerate financing for renewables.

**6 AEs considered in the results*

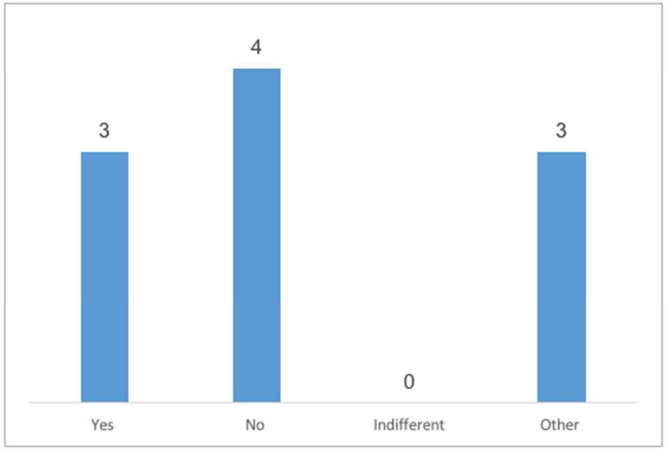
Question: Do you report on GHG emissions caused by ¨carbon intensive¨ (e.g. fossil fuel fired power plants or similar) projects in your portfolio?



Comments	
KfW	Carbon footprint are currently estimated for certain projects. An approach for systematically capturing carbon footprint data is under development and expected to be implemented shortly.
World Food Programme	we don't finance "carbon intensive" projects
Agence Française de Développement (AFD)	We only report on the emission reduction of our projects but not on the total emissions of the projects.

**6 AEs considered in the results*

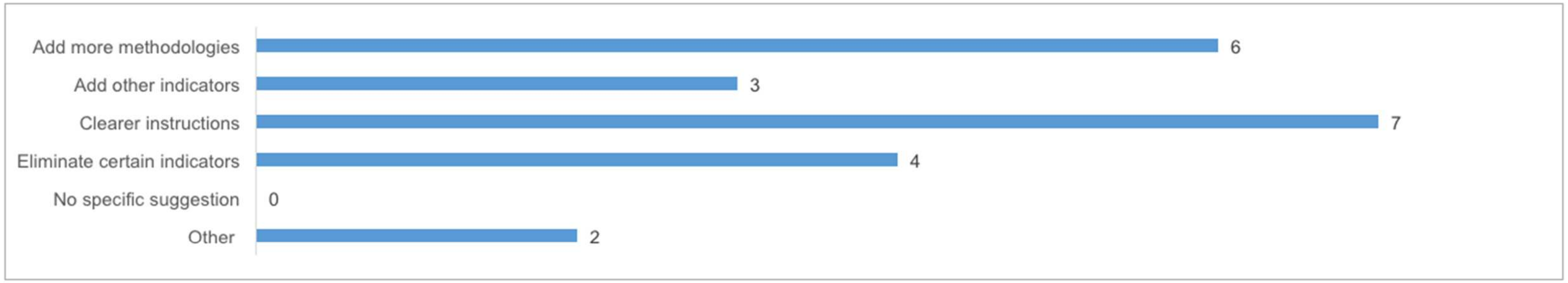
Question: Do you find the tool presented by the GCF useful?



Comments	
KfW	It is too complicated, too far reaching and would require setting up a parallel monitoring system to the one already set up by KfW. GCF should accept existing reporting data from accredited entities.
World Food Programme	We are not clear if the tool presents a menu of indicators to choose from or if it requests all the AEs to capture all of the indicators for their entire portfolio. WFP is reporting all of its programmatic portfolio agains its Corporate Results Framework (CRF) indicators. Our corporate methodology is not capturing the same indicators are those presented in the tool. Also, we have many programmes that are not labelled "mitigation" or "adaptation" but still include adaptation or mitigation co-benefits. These are normally reported against the CRF.
Conservation International	Current understanding of tool presented is limited.
Agence Française de Développement (AFD)	Looking at how AEs work is good (especially looking at carbon intensive projects). However we find that collecting very precise indicators is not the best way to check that AE is promoting a paradigm shift to low emission and climate resilient development. The main outcome of this initiative seems to be to change how AEs work, thus, other indicators should be considered (how a climate strategy is being developed within the institution? what is the renewable part of financing energy? what is the part of carbon intensive projects in the portfolio…). In terms of Adaptation, the proposed indicators are not good enough, not useful and some of them are not climate specific (especially in the category ecosystems and health/Food and Water security). In general, the level of details of the indicators is very high and this tool will be very time consuming.
World Wildlife Fund	The tool contains some useful elements, but it needs to fundamentally transformed in order to be a useful tool and serve the objectives for which it was designed. As it stands, it requires a huge amount of data from AEs, some of which is not readily available, with little indication that the end result will be useful, much less representing the state of the art in assessing alignment of portfolios with climate objectives.
European Investment Bank (EIB)	The tool represents an attempt to define solid monitoring and reporting frameworks for both Mitigation and Adaptation projects. It may be relevant to analyze how this tool can be relevant and/or compatible with EIB reporting frameworks. We would like the reporting to be in line with the EIB standard reporting approach (avoiding a time consuming extra reporting process) and agreed MDBs methodologies.
Deutsche Bank	Seems too complicated and is too ambitious.
IFAD	It is unclear what the tool is, whether we are talking about a tool or a methodology, and there seem to be three different things that the GCF is talking about measuring: mitigtation and adaptation if GCF projects, mitigation and adaptation across an AEs entire portfolio (i.e. all the projects and programs it funds), and an AEs operations (such as building management, carbon emissions from travel, etc.). These are all different things. The presentation provided some examples of methodologies that are mostly used for climate change funded projects so do not cover areas 2 and 3 which use different methodologies.

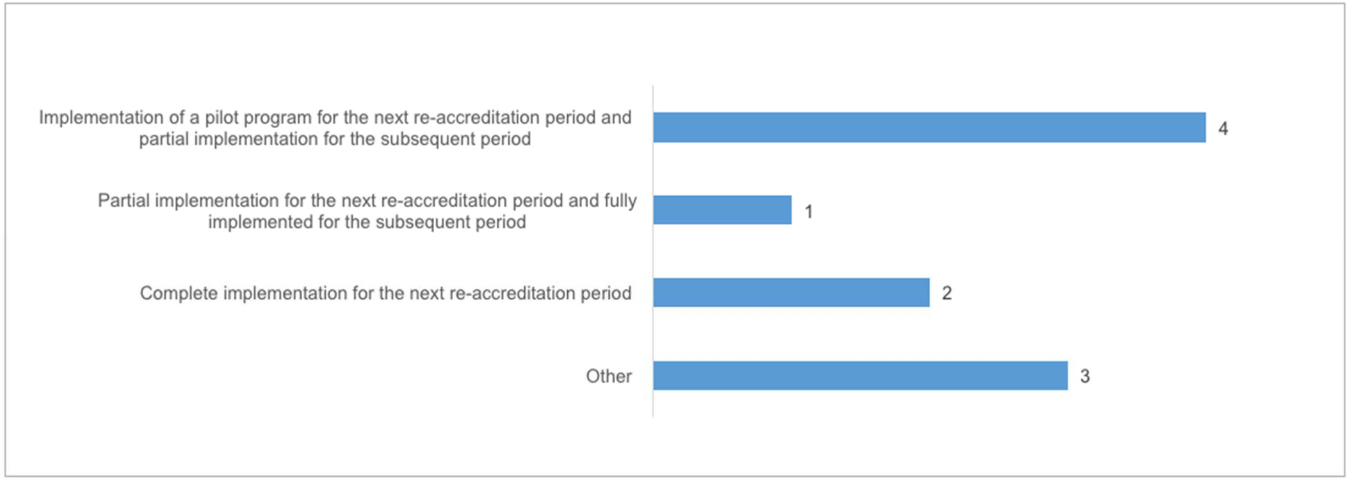
**10 AEs considered in the results*

Question: According to your experience and taking into account the CGF´s objective, what improvements/adjustments would you suggest for the tool?



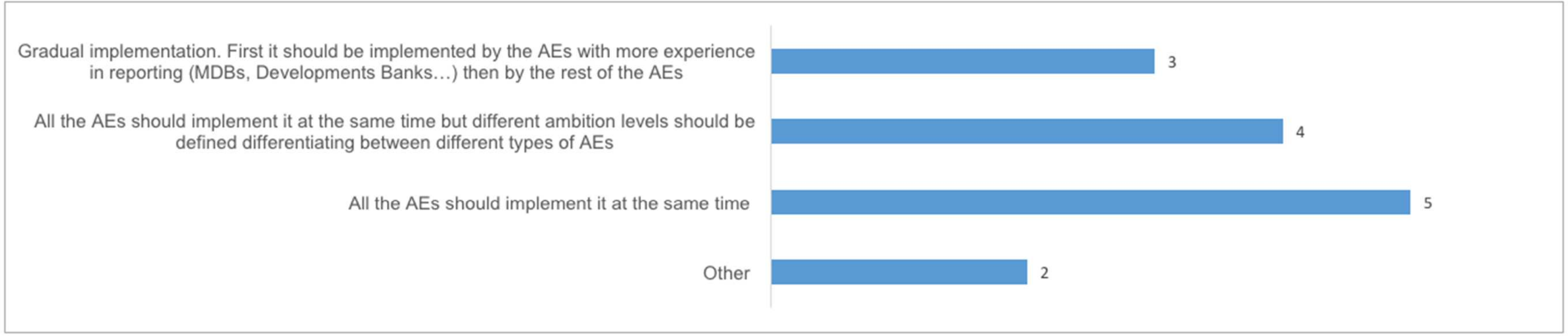
	Comments
KfW	GCF reporting should be limited to the GCF portfolio of the AEs. A limited number of standard indicators that can be captured with reasonable effort should be used.
World Food Programme	For non-GCF funded projects and programmes, AEs should be able to report and use the methodology that they are already using and not being requested to apply an additional methodology to their entire programmatic portfolio. WFP can share the CRF indicators and annual reports with the GCF, as well as the AF annual reports using the AF methodology for AF-funded projects.
Conservation International	Would it be possible to test the tool?
Agence Française de Développement (AFD)	We need to agree on a common methodology first (this requires consultations) : what do we count exactly ? What is the scope and the caps? We recommend using the IDFC/MDBs methodology. Long term trajectories set by countries also need to be considered when assessing the impact of a project.
World Wildlife Fund	It is difficult to know where to start here. All of the above. Many indicators can likely be eliminated as they would be very impractical to gather for many projects. This notably includes activity factors like "number of riders of public transit", which seems outside the scope of the question at hand (alignment of portfolios with climate goals).Clearer instructions are needed for the indicators that do exist. A key consideration is the most basic question of emissions accounting for financed projects, whether the entity should be allocating emissions and/or project value based on its share of investment (and how to do so; e.g. are debt and equity stakes treated equally). Clearly other indicators are needed as the scope of the "tool" currently only covers financial instruments with a known use of proceeds like project finance. This is a very small portion of the portfolios of many AEs! Several NGOs submitted reports detailing the current state of the art across asset classes back in 2016. See xxxx. As also mentioned above an important qualitative indicator should be the explicit adoption of the objectives in Article 2 of the Paris Agreement as a core and determinant element of the entity's climate policy framework. As this is the GCF objective it should be a natural way of aligning and easily feasible to assess.
European Investment Bank (EIB)	It may be relevant to provide clearer orientations for the underlying baseline of such a monitoring framework, in order to specify the outcomes/benefits with versus without project. Besides clearer links between the proposed indicators and the climate finance tracking methodologies, e.g. the 3 steps approach to characterize adaptation projects would be an added value. It would be important to take into account existing MDBs metholodogies to avoid too complex additional reporting processes.
IFAD	It is impossible to say without having a clear presentation of the tool and scope of the tool. The scope of the tool should stay within the mandate and practically consider what the GCF can "require" other institutions to do as this will affect the scope of the tool.

Question: Which implementation timeline would you recommend for a successful adoption of this assessment tool?



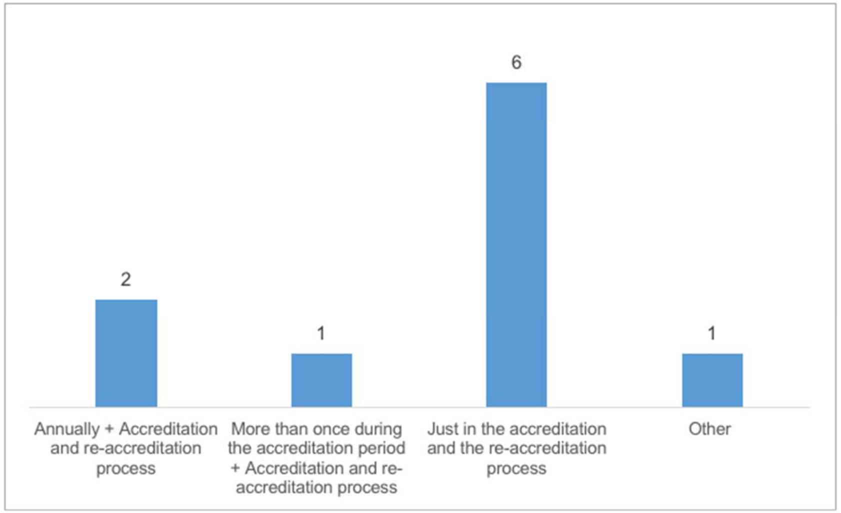
Comments	
World Food Programme	AEs should be allowed to use and report on the methodology they are already applying to their portfolios. For GCF specific projects, a specific methodology can be applied, like it is the case for AF projects. Use of the presented tool to report on AEs entire portfolio should be voluntary and not mandatory.
Agence Française de Développement (AFD)	AFD is interested in participating in the pilot program.
World Wildlife Fund	The approach needs to be fundamentally reconceptualized. The GCF Board decision is "an assessed shift of the accredited entities "overall portfolio of activities beyond those funded by the GCF" in support of low-emission and climate-resilient development pathways would be taken into account by the Board when deciding on a possible re-accreditation of the entity after five years." GCF did their first accreditations in March 2015 and approved first batch of projects in November 2015 so the timeline must be for a decision at the very latest Q3 2019 so the first accredited AEs get 6 months preparation before first re-accreditation decisions are made. Later entrant AEs will get a bit more time to prepare.
European Investment Bank (EIB)	Significant time to be provided to AEs in order for them to adapt, when relevant, their reporting and monitoring approaches, and develop the convenient reporting processes.
IFAD	Difficult to say without clearer guidelines. Generally in the Accreditation process and AMA negotiations, where agencies have their own policies and practices that allow it to meet certain minimum thresholds, the GCF has respected the soverignty and jurisdiction of institutions. We have simply had to provide our Board approved policy documents.

Question: How do you think the implementation of this assessment process should take place?



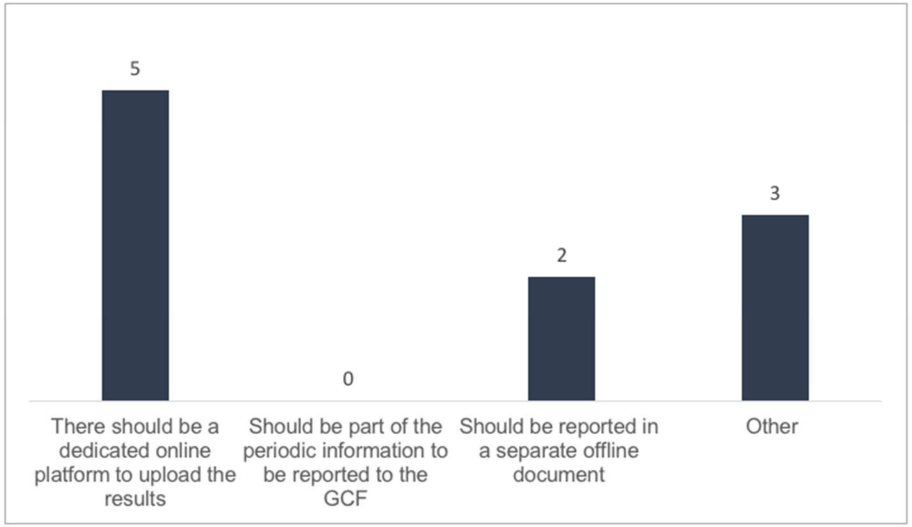
Comments	
World Food Programme	Gradual and voluntary implementation.
Agence Française de Développement (AFD)	GCF should support the implementation of the tool within the least experienced AEs.
World Wildlife Fund	Second option. Clearly the ambition levels must be dfiferent because of the differences in portfolio types between AEs. More detailed methods may be appropriate for larger institutions like MDBs. But they may also not be as many MDBs have multiple different types of financial structures under different parts of the institution. This must be mapped out in more detail rather than assuming one "tool" will work for all AEs. We could have one system with diffrent modules representing different ambition levels based on both the scale of the financing provided and the asset classes/types of financing. The distinction should not be based on international vs. direct access because some direct access entities are bigger and more advanced than some international entities. (although a compromise might be a phase-in period for direct access entities, which would be better than a permanent exclusion from the most ambitious reporting).
European Investment Bank (EIB)	It seems important to recognize the various levels of capacities in monitoring and reporting. This effort should be common to all AEs to ensure a coherent monitoring/reporting of GCF financing outcomes/impacts.
IFAD	You may wish to dig into a bit deeper the differnt types of reporting that agencies already do, as introducing something different will be difficult if not impossible to implement.

Question: How often do you think the results of this evaluation should be reported?



Comments	
World Wildlife Fund	Accreditation and re-accreditation process (each 5 yrs), as alignment outcomes will be more identifiable in larger periods. However, we should assume that AE accreditation has happened each year and they will continue to happen.
European Investment Bank (EIB)	Once per Accreditation period would already be a significant achievement given the number of indicators to be monitored, and the potential need for detailed assessments.
IFAD	What evaluation?

Question: How do you think the information should be reported?



Comments	
Agence Française de Développement (AFD)	Whatever :)
World Wildlife Fund	Ideally data should be entered on a transparently available online platform. There may be proprietary information issue.
European Investment Bank (EIB)	No recommendation at that stage.
IFAD	It depends on what the purpose and consequences of the reporting are. Is this being done simply for information, because accreditation will be subject to an agency complying with a new set of institutional reporting requirements, because agencies who are showing decreases in GHG will be favboured somehow, because the GCF is using this to attract either high or low emitters, etc?.

Question: Additional comments

Comments	
Agence Française de Développement (AFD)	We are not yet ready to collect those indicators in a systematic way and this will take time. For now the indicators proposed are a mix of outputs indicators and outcome indicators. Outcomes indicators are very costly to measure and this is a dimension to keep in mind. However, if the tool could be revised to reflect more efficiently our activities and impacts, we are ready to 1. Contribute when consultations will take place, 2. Be part of the pilot phase, 3. Support the implementation of the tool in direct entity's institutions where required.
World Wildlife Fund	The Tool/assessment needs a lot more work and hopefully the GCF will be having a Workshop with the AEs to rethink the tool/assessment modality to take into account the different types of AEs.
European Investment Bank (EIB)	One of the objectives of the reporting seems to be to check how the paradigm shift is taking place beyond the GCF-funded programmes. We should highlight that the paradigm shift in EIB's portfolio is mostly due to a wider push for climate action (Paris Agreement, EU objectives etc), than linked with GCF financing, at least for the time being.
Deutsche Bank	NA
IFAD	The objective of the exercise and the intention should be clarified as a first step. There seem to be three different things that are being measured/reported, clarifying that first would help. There are many and diverse corporate processes that MDBs/IFIs have put in place but they vary depending on the types of portfolios. Multilaterals have things like core indicators for climate change and climate finance tracking that they use to report to their Boards to which they have ultimate accountability. But the specific calculation at a project level is dependent on the project - i.e. avoided emissions from transport will not be calculated the same way as emissions from agriculture. The GCF guidelines therefore may want to be broad to allow for the diversity that exists. Applying methodologies as those presented in the webinar to all projects would be cost prohibitive and so reporting of the whole portfolio for an IFI would not be possible.
Observatoire du Sahara et du Sahel	More detailed information should be shared to AEs as well as suggestions from viewers should be allowed through a parallel process

5.2.2. Institutional Survey results

The results that will be presented below, correspond to the answers given by other GCF stakeholders. However, there are two important observations to consider when revising the results:

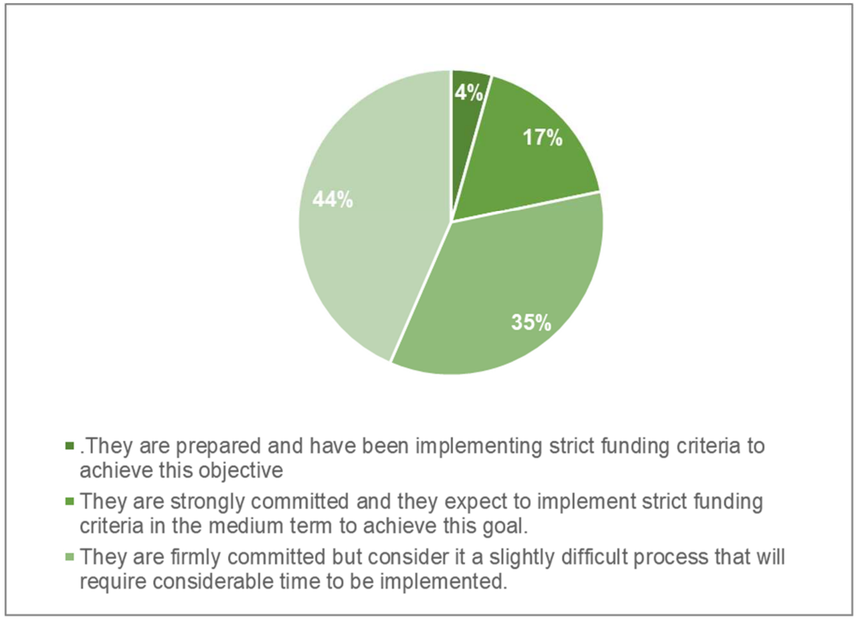
1. By Monday 3^{th} of September some institutions have just completed part of the survey. Therefore, in each graph it will be explicitly mentioned the number of responses that were considered.
2. The Heinrich Böll Stiftung North America additional to filling the survey gave a substantial feedback to the indicator tool via e-mail. It is included as Annex 5.

Table 19: Institutions – Total Number: 23

No	Institution	Name	Position	Contact information	Status
1	Sierra Club	Steven Herz	Senior Attorney	steve.herz@sierraclub.org	Complete
2	Heinrich Boell Foundation (North America)	Liane Schalatek	Associate Director, Washington Office	liane.schalatek@us.boell.org; +1-202-290-0956	Complete
3	Government	Lars Roth	Deputy Director	+46-727223035	Complete
4	Women's Environment and Development Organization (WEDO)	Tara Daniel	Program Coordinator	tara@wedo.org	Complete
5	Hivos	Rita Poppe	Advocacy officer	rpoppe@hivos.org	Complete
6	CARE International	Sven Harmeling	Global Policy Lead, Climate Change and Resilience	sharmeling@careclimatechange.org	Complete
7	TIANQING POWER Green Climate Consulting Co., Ltd	Aimin Yang	Chairman	alexyang@tqpower.net	Incomplete
8	Karnali Integrated Rural Development and Research Centre (KIRDARC)	Abhishek Shrestha	Theme Leader- DRR and CCA	abhishek.shrestha@kirdarc.org	Complete
9	Sustainable Development Foundation(SDF)	Ravadee. Prasertcharoensuk	Director	Sustainable Developmwnt Foundation 86 ladpraw110,Sutthiwattana2,Plab Pla Wangthonglang BKK10310	Complete
10	Climate Action Network International	Elina Doszhanova	Treasurer, Board of Directors	edoszhan@gmail.com	Complete

No	Institution	Name	Position	Contact information	Status
11	Association pour l'Integration et le Developpement Durable au Burundi-AIDB	Severin sindizera	Coordinator of National Program	sevzera@yahoo.fr	Complete
12	ONEP	Jarunee	Environmentalist	drjoy@gmail.com	Incomplete
13	Ministry of Environment	Arlette Massala	GCF Focal Point	arlette.m170@gmail.com	Incomplete
14	National Desgnated Authority	Ministry of Finance and Economic Development	Senior Economist	btsealetsa@gov.bw	Incomplete
15	National Agency of climat change	Boukadoum	General Director	boukadoum@hotmail.com	Incomplete
16	African Climate Finance Hub	Jerome van Rooij	Director	jvanrooij123@gmail.com	Complete
17	WWF International	Mark Lutes	Senior Global Climate Policy Advisor	marklutes@wwf.panda.org; +5511 97029-8211	Complete
18	Absolute Energy Capital LLP	Filippo Taliente	Investor Relations and Team leader for the Accreditation Process	filippo.taliente@ae-capital.com	Complete
19	Global Affairs Canada	Kerry Max	Deputy Director, Cimate Finance Governance	kerry.max@international.gc.ca	Complete
20	Asian Institute of Technology	Lyan B. Villacorta	Senior Programme Officer	lyan.villacorta@rrcap.ait.ac.th	Complete
21	2° Investing Initiative	Jakob Thomä	Managing Director	jakob@2degrees-investing.org	Complete
22	Humana People to People (FAIHPP)	David Kerkhofs	Programme Coordinator - Climate Change & Agriculture	david.kerkhofs@humana.org	Incomplete
23	Inter-American Institute for Cooperation on Agriculture - IICA	Jonathan Castro	Specialist, Projects Unit	jonathan.castro@iica.int	Complete

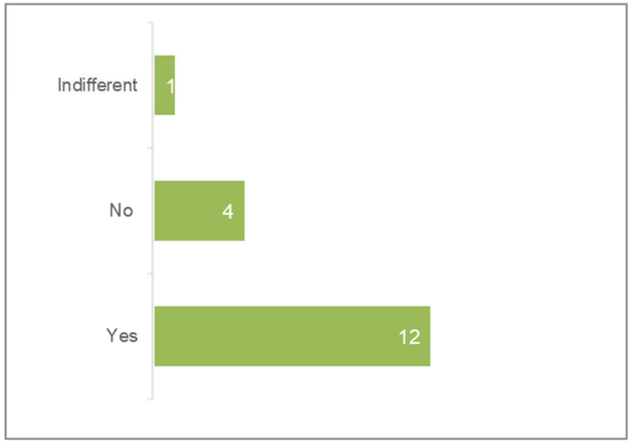
Question: Considering the GCF's intention to promote a paradigm shift towards a low-carbon and more resilient economies, do you consider that AEs are prepared to foster climate resilient and low carbon development?



Comments	
WWF International	The AEs vary widely in terms of their internationalization of climate issues and institutional mandate to align their investments with the needs of climate resilient and low carbon development. They also vary in terms of the extent to which such an intention is influencing the portfolio of projects and investments in a meaningful way. Which is why this exercise is so important. A critical point that is not addressed is by the current thinking is that AE's portfolios vary considerably, between and within major types (MDBs, DFIs, commercial banks, NGOs, etc.) In any case, there is no financial institution that has announced the alignment of its operations with the Paris Agreement in a given period of time. An important qualitative indicator should be the explicit adoption of the objectives in Article 2 of the Paris Agreement as a core and determinant element of the entity's climate policy framework.
Women's Environment and Development Organization (WEDO)	I chose "do not know" in part because I think it is difficult to speak to all AEs' preparedness across their entire future portfolios, but certainly "prepared," "strongly committed," and "firmly committed" fail to offer an appropriate range of responses. Is there a universe where it would be considered that any substantive number of AEs are neither prepared nor intensely committed?
Hivos	Mixed feelings about commitments. For a lot it will be a difficult process, as it is not the core business to work on both topics, esp not in conjunction. And for most of the AEs it is very very difficult to reach the really poor and remote, and only go where other as well go, eg the more economically developed areas, with prospect for profit. Nature of the entities, often banks, prevents a real focus on core climate and development, as it always needs to have a strong profit angle.

*_23 Institutions considered in the results_

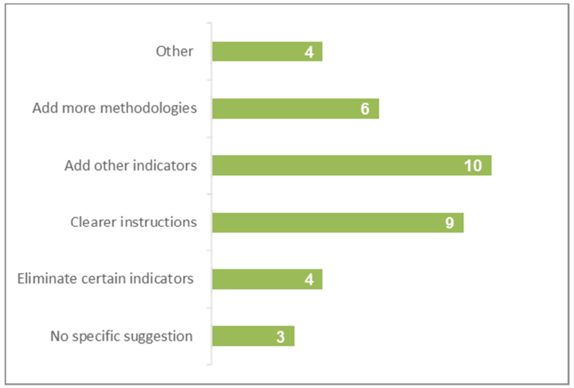
Question: Do you find the tool presented by the GCF useful?



Comments	
Government	The carbon intensity indicators, which are arguably the most important here, are appropriately simple and straightforward. In general the tool includes a very ambitious set of indicators, primarily on the adaptation side, and with 5 different methodological frameworks for possible use. With regards to mitigation, the right frameworks are being incorporated. Namely CDM, VCS, and JCM. The methodology to be used to estimate/measure the various indicators could however be more prescriptive than optional to ensure more congruous/comparable results.
Women's Environment and Development Organization (WEDO)	Yes indicates that it is more useful than the current state of affairs and doesn't introduce harm, but this is not a resounding yes. The ecosystem and ecosystem services metrics, for example, leave much to be desired: how shall one count a natural resource or an endangered species--is it an individual number or the number of distinct species? Does "protection" for an endangered species entail a change in Red List status? What's the criteria for ecosystem "restoration"? There are resources for gauging the health of ecosystems and individual species, but these metrics do not seem to reflect that field of study and will simply result in absurd, non-comparable results.
WWF International	The tool contains some useful elements, but it needs to fundamentally transformed in order to be a useful tool and serve the objectives for which it was designed. As it stands, it requires a huge amount of data from AEs, some of which is not readily available, with little indication that the end result will be useful, much less representing the state of the art in assessing alignment of portfolios with climate objectives. It is generous to call the spreadsheet a tool. Generally tools help the user perform a task; the spreadsheet provided offers little in terms of help. It is instead a reporting document that outsources all of the tricky methodological questions to external methods links. The "tool" contains no formulas or calculation assistance (e.g. cell notes). Thus, it is not helpful by definition, since it offers little "help" outside the links to external methods. It also falls short in scope.
Global Affairs Canada	Ideally this tool would be more user friendly, so that respondents wouldn't have to jump from page to page and would have immediate access to definitions and other linked documents. This could be done if the tool were transformed into an electronic format that walked people through the process step by step, It should also exist in a format that is easily printed so people can work with it offline and print out results.

*<u>*17 Institutions considered in the results*</u>

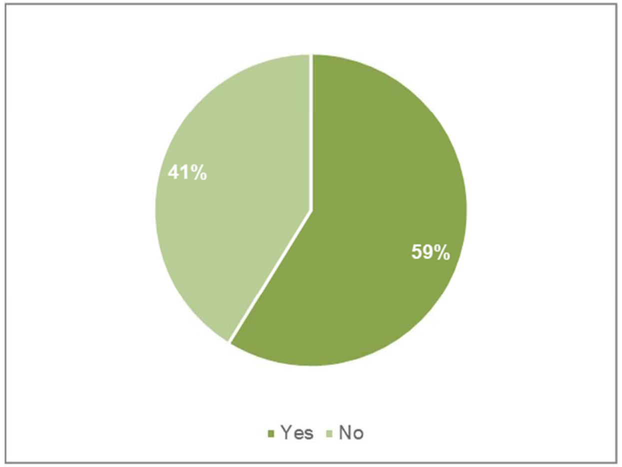
<u>Question:</u> According to your experience and taking into account the CGF´s objective, what improvements/adjustments would you suggest for the tool? (More than one answer possible)



Comments	
Women's Environment and Development Organization (WEDO)	Sector-specific consultation on these indicators may be required if the ecosystem indicators are any reflection. Furthermore, this tool may be too rigorous for some AEs and not rigorous enough for others. AEs vary in their capacity, and the most rigorous requirements for analysis and disclosure should be reserved for large financial institutions, MDBs and national development banks. There should also be a clear timeline for modifications and more rigor (for those AEs with the greatest capacity) to be adjusted over time.
Hivos	Extra indicators would be relevant, to see where the impact is: what type of beneficiaries are being reached. Not only disaggregated data for women, but also on level of income/poverty. For mitigation - energy access: do include indicators for type of energy (Eg wind, solar etc, at least split into off-grid, mini-grid or on-grid), as this is a clear indicator for what type of people/area is being connected. Also include what tier of energy access has been reached. Also include number of households connected. NOt only indicate on improved access, but also new connections, and again, what level of income/poverty.
African Climate Finance Hub	Would suggest removing those indicators that can be informed with data gathered by the Secretariat when conducting its ongoing AE compliance and FA monitoring. Adding an indicator for 'advanced AEs' on existing/planned support to candidate direct access entities for accreditation and/or capacity building of domestic entities with which they work. Also, an indicator of the extent to which the AE's non-GCF funded projects are subject to systematic climate risk assessment.
WWF International	It is difficult to know where to start here. All of the above. 1) Many indicators can likely be eliminated as they would be very impractical to gather for many projects. This notably includes activity factors like "number of riders of public transit", which seems outside the scope of the question at hand (alignment of portfolios with climate goals). 2) Clearer instructions are needed for the indicators that do exist. A key consideration is the most basic question of emissions accounting for financed projects, whether the entity should be allocating emissions and/or project value based on its share of investment (and how to do so; e.g. are debt and equity stakes treated equally). 3) Clearly other indicators are needed as the scope of the "tool" currently only covers financial instruments with a known use of proceeds like project finance. This is a very small portion of the portfolios of many AEs! Several NGOs submitted reports detailing the current state of the art across asset classes back in 2016. See xxxx. 4) As also mentioned above an important qualitative indicator should be the explicit adoption of the objectives in Article 2 of the Paris Agreement as a core and determinant element of the entity's climate policy framework. As this is the GCF objective it should be a natural way of aligning and easily feasible to assess.

*<u>*17 Institutions considered in the results*</u>*

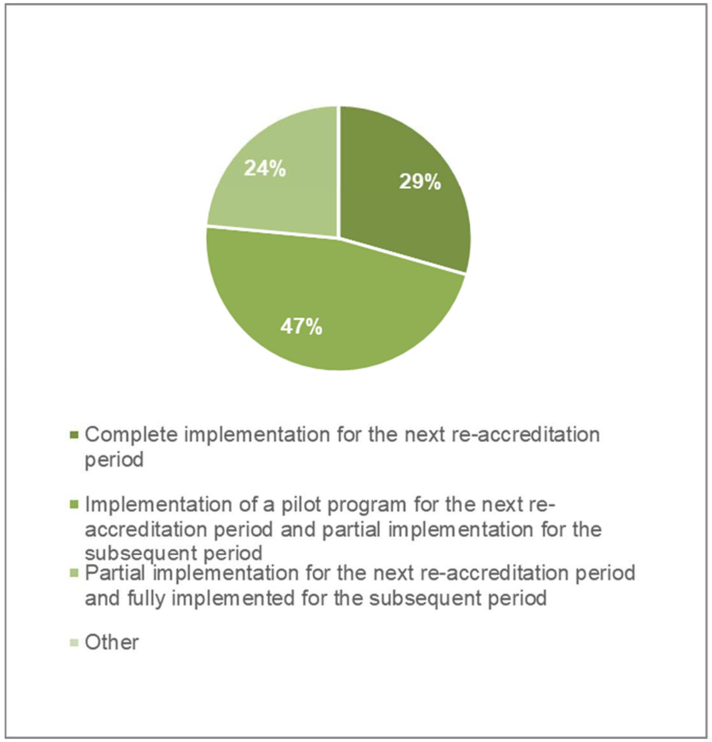
<u>Question:</u> Do you know any other methodology that would be relevant in this context?



	Comments
Sierra Club	See the methodologies set out in sections 2 and 3 of this submission. https://www.sierraclub.org/sites/www.sierraclub.org/files/uploads-wysiwig/Portfolio%20Evolution%20Submission%20Sierra%20Club%202ii%20%28May%202016%29.pdf
Heinrich Boell Foundation (North America)	Yes, see submissions made by a number of CSOs active in the GCF, including Friends of the Earth US, Heinrich Böll Stiftung North America, Sierra Club, WWF International and 2dll in May 2016 and available via the following links: https://www.sierraclub.org/sites/www.sierraclub.org/files/uploads-wysiwig/Portfolio%20Evolution%20Submission%20Sierra%20Club%202ii%20%28May%202016%29.pdf http://awsassets.panda.org/downloads/wwwf_recommendations_to_gcf_on_portfolios_of_activities_of_accredited_entities_5_may_2016.pdf Since the time of the submission of those suggestions, further methodological improvements have been made, especially with respect to commercial bank loan portfolios. Unfortunately, the proposed tool seems to complete ignore broader overall investment portfolios beyond project finance, despite the relevance and volume of these investments for the overall GCF portfolio. Without an acknowledged focus on broad investment portfolios (including the wide variety of financial instruments for future, yet to be determined sub-project investments or fund-of-fund portfolio investments), the tool is not useful for the GCF which relies increasingly on financial intermediation, blended finance, and programmatic as well as fund-of-fund investment approaches.
Hivos	WorldBank Energy Access Tiers (ESMAP) as well as RISE
WWF International	Yes, see submissions by WWF and by Sierra Club and 2dII in 2016 that describe the state of the art at the time. Links to submissions: https://www.sierraclub.org/sites/www.sierraclub.org/files/uploads-wysiwig/Portfolio%20Evolution%20Submission%20Sierra%20Club%202ii%20%28May%202016%29.pdf http://awsassets.panda.org/downloads/wwwf_recommendations_to_gcf_on_portfolios_of_activities_of_accredited_entities_5_may_2016.pdf The state of the art has improved in several ways since then, notably for commercial loan books. There are many more providers on the market offering portfolio alignment strategies because of Art 173 in France. The "tool" completely ignores these in favor of very basic project by project accounting that is less relevant and an order of magnitude harder to implement. Additional links to information can be provided at a later date.

*_17 Institutions considered in the results_*

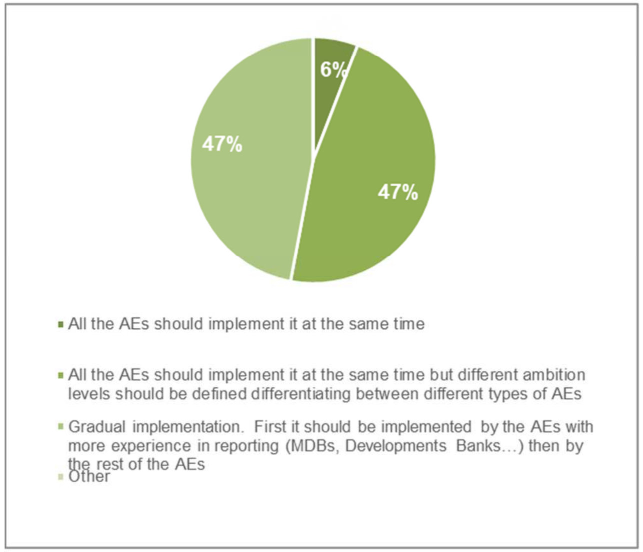
Question 5: Which implementation timeline would you recommend for a successful adoption of this assessment tool?



Comments	
Government	Of course the implementation should be closely monitored and evaluated with the possibility to make adjustments if need be.
African Climate Finance Hub	Given the relatively limited number of GCF projects currently under implementation, and lack of completed ones, only a partial or pilot implementation of the tool seems possible at this time - if the present emphasis on GCF funded project metrics is maintained.
WWF International	The approach needs to be fundamentally reconceptualized. The GCF Board decision is "an assessed shift of the accredited entities "overall portfolio of activities beyond those funded by the GCF" in support of low-emission and climate-resilient development pathways would be taken into account by the Board when deciding on a possible re-accreditation of the entity after five years." GCF did their first accreditations in March 2015 and approved first batch of projects in November 2015 so the timeline must be for a decision at the very latest Q3 2019 so the first accredited AEs get 6 months preparation before first re-accreditation decisions are made. Later entrant AEs will get a bit more time to prepare.

*<u>*17 Institutions considered in the results*</u>

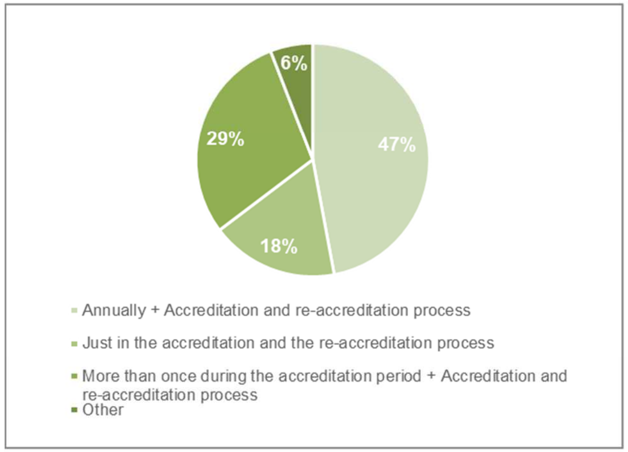
<u>Question 6:</u> How do you think the implementation of this assessment process should take place?



	Comments
Sierra Club	The GCF should differentiate reporting requirements based on the size and capacities of accredited entities so as to balance impact and ease of use. All accredited entities should be expected to evolve their portfolios in line with global climate objectives, but not all will have the capacity to report on these shifts with the same level of detail. Relative capacities should be accommodated to ensure that smaller entities are not overburdened.
Heinrich Boell Foundation (North America)	Second option. As already outlined under question 5, ambition levels should be differentiated between AEs, reflecting the differences in their portfolio types as well as their use of financial instruments (grant management vs. financial intermediation, small-scale, low to no-risk projects vs. large-scale high-risk investments). The level of detail provided should be much higher for the accredited entities engaging in the latter (large scale, high-risk financial intermediation), than the former (management of grant-finance micro- or small-scale low-risk projects). In line with the current "fit-for-purpose" accreditation approach, there might have to be a differentiated "fit-for-entity" methodology with different ambition levels. With upgrading of an AE to a larger scale/higher risk category/financial intermediation the expected ambition in reporting should be upgraded as well. While in many cases this distinction might fall along the line of international vs. direct access entity, the categorization as international access vs. direct access entity in and of itself should not be ground for differentiation of ambition. However, it might be conceivable that in the case of direct access entities more capacity-building support or a longer phase/in/transition period might be provided. This should be decided case-by-case, based also on a capacity assessment (f.ex. the level of details DAEs were able to provide in their Annual Performance Reports (APR) or whether there have been significant reporting gaps/weaknesses in the APRs, which could be taken as an indication that further capacity building support or a longer phase-in/transition period might be needed).
Government	In particular the assessment process should apply to AEs with a large portfolio of investments into fossil fuels.
WWF International	Second option. Clearly the ambition levels must be dfiferent because of the differences in portfolio types between AEs. More detailed methods may be appropriate for larger institutions like MDBs. But they may also not be as many MDBs have multiple different types of financial structures under different parts of the institution. This must be mapped out in more detail rather than assuming one "tool" will work for all AEs. We could have one system with diffrent modules representing different ambition levels based on both the scale of the financing provided and the asset classes/types of financing. The distinction should not be based on international vs. direct access because some direct access entities are bigger and more advanced than some international entities. (although a compromise might be a phase-in period for direct access entities, which would be better than a permanent exclusion from the most ambitious reporting)

<u>17 Institutions considered in the results</u>

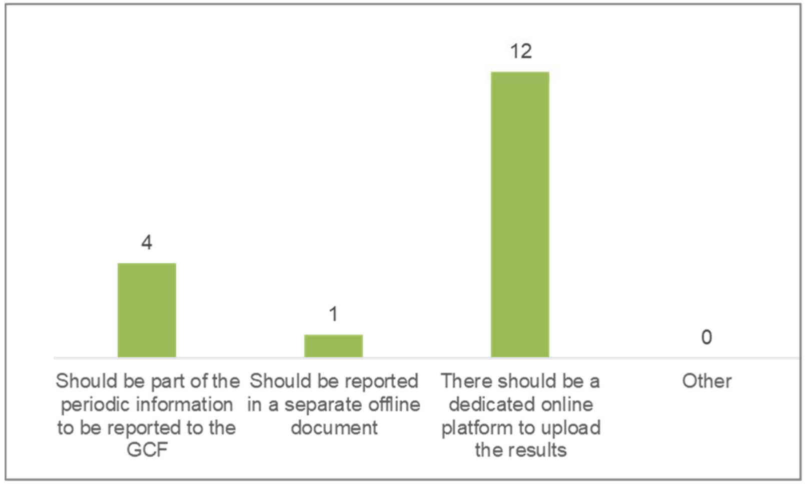
Question 7: How often do you think the results of this evaluation should be reported?



Comments	
Heinrich Boell Foundation (North America)	As the methodology is to show overall portfolio shift over time, it makes sense to focus primarily on the accreditation process (NOTE: what does this mean for entities already accredited before the methodology was developed? Will they be asked to report ex-poste? – see the question of equity as otherwise the MDBs and their largely intermediation focused GCF investment portfolio would be exempted) and the re-accreditation process 5 years down the line. However, it could be interesting to think of a very simple indicator (such as "annual percentage of the AEs investment portfolio aligned with the Paris Agreement <2 degree Centigrade objective, as self-reported according to AEs own climate framework" or something similar) as something that is included in the yearly Annual Performance Report (APR) and thus anchors a public reporting requirement/and transparent commitment to the whole portfolio shift in its annual required reporting to the GCF for its GCF-funded portfolio).
WWF International	Accreditation and re-accreditation process (each 5 yrs), as alignment outcomes will be more identifiable in larger periods. However, we should assume that AE accreditation has happened each year and they will continue to happen.
Global Affairs Canada	This is a major, time-consuming request of AEs and should only be done occasionally

******17 Institutions considered in the results*

Question 8: How do you think the information should be reported?



Comments	
Sierra Club	The key point is that information provided for this purpose should be publicly available.
Heinrich Boell Foundation (North America)	To the extent possible, data should be publicly available and transparently reported in an online platform (for example integrated in the GCF website under its Accredited Entity Directory (https://www.greenclimate.fund/how-we-work/tools/entity-directory). It would also be very important that in reporting the AE complies with the PRO-ACTIVE GCF Information disclosure policy, i.e. that withholding of information on proprietary grounds should be kept to an absolute minimum. As a matter of fact, the progressively improved public transparency of financial information of GCF accredited AEs could be used as one indicator of the methodology to proof seriousness/public commitment to the “overall portfolio” shift. At the bare minimum, the unwillingness of AEs to disclose such information on proprietary grounds needs to be made public and publicly reported in such a database to peer pressure through best practice and ideally increase accountability and transparency over time.
Hivos	As well as more in depth information to be reported to the GCF
WWF International	Ideally data should be entered on a transparently available online platform. There may be proprietary information issues.

*****_17 Institutions considered in the results_

Question 9: Additional comments.

Comments	
Heinrich Boell Foundation (North America)	As mentioned in the responses to prior questions, we would recommend that in developing the methodology beyond the limited tool presented currently two prior CSO submissions on this question re taken into account. They can be found at: https://www.sierraclub.org/sites/www.sierraclub.org/files/uploads-wysiwig/Portfolio%20Evolution%20Submission%20Sierra%20Club%202ii%20%28May%202016%29.pdf http://awsassets.panda.org/downloads/wwwf_recommendations_to_gcf_on_portfolios_of_activities_of_accredited_entities_5_may_2016.pdf The current took seems to be too narrowly focused on an outdated carbon footprinting approach (which is for example not suitable or sufficient to do justice to the WHOLE portfolio shift= encompassing mitigation AND adaptation, as required by the Board decisions), while newer approaches that look at the alignment of investments and portfolios with climate targets (both positive targets and in disclosing climate risks) are not taken into account.
Government	Important to get the tool implemented early 2019 in time for when the first assessments for re-accreditation have to carried out.
Women's Environment and Development Organization (WEDO)	Would be very interested in receiving an update in the next month on how the survey results and recommendations will be taken forward and any information on the timeline. It's a little frustrating that the timeline slide lists steps but fails to provide any unit of time for those steps.
Sustainable Development Foundation(SDF)	Ensure all feedback respond being seriously considered in its implementation process.
Association pour l'Integration et le Developpement Durable au Burundi-AIDB	Our indigenous people's organizations need to be supported in the international, regional, national meeting of GCF. we need also the fund of GCF to carry out the activities for indigenous people's adaptation face to climate change
Ministry of Environment	The information can be also reported in a separate document if necessary
National Desgnated Authority	I have no experience working with an AE as yet.
National Agency of climat change	in arabic ou french

Comments	
African Climate Finance Hub	The online platform onto which the results are uploaded should include a functionality allowing stakeholders to post comments.
WWF International	We think it would be very useful to draw on the ideas in these two submissions to the GCF, as mentioned above: Links to submissions: https://www.sierraclub.org/sites/www.sierraclub.org/files/uploads-wysiwig/Portfolio%20Evolution%20Submission%20Sierra%20Club%202ii%20%28May%202016%29.pdf http://awsassets.panda.org/downloads/wwwf_recommendations_to_gcf_on_portfolios_of_activities_of_accredited_entities_5_may_2016.pdf Analytical methods for many asset classes have developed quickly in the last few years - we would be happy to provide a more detailed list of resources.
Global Affairs Canada	Success depends on not asking too much of AE and ensuring what we do ask is readily-available information, and in making the response process as user-friendly and transparent as possible.
Humana People to People (FAIHPP)	None at this point - would need a little more time and access to the tool to give more profound inputs

6. Recommendations for piloting the approach taking into account consultation results

6.1 Main findings from consultation process

The survey has shown that survey participants from AEs and other stakeholders support the general objective of the GCF to assess progress of an individual AEs' portfolio towards low-emission and climate-resilient development. The majority of stakeholders (AEs and other stakeholders alike) expect to see an eventual detailed approach being implemented in a pilot phase or the upcoming re-accreditation period. Stakeholders across the board also agreed that there should be a differentiation between types of AEs in terms of implementation timeline and ambition levels of reporting.

The most severe criticism of the indicator tool from the AEs was that AEs already report for some or all of their projects in their portfolio according to own or third party frameworks and that these frameworks do not necessarily match the indicators included in the indicator tool. They are also of the opinion that the implementation of the reporting of some of the indicators would be very time consuming.

CSOs largely found the indicator tool useful but criticised that would be too narrow to account for a whole portfolio shift and focusing too much on the PMF. The Heinrich Böll Foundation North America for example mentioned prior CSO submissions on approaches that would be better suited for the general objective of the GCF (see Annex 5 for details).

6.1 Recommendations for piloting

Below three recommendations are provided regarding the pilot phase. They can also be considered as a sequence of three steps (as illustrated in Figure 3 below) to decide on the final approach when eventually all AEs would be required to report on their "progress" [3].

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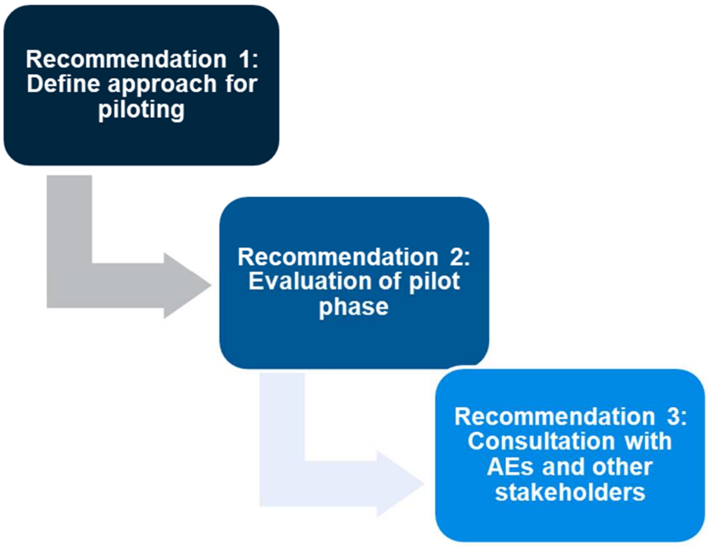
[3] Progress of AEs' portfolios towards low-emission and climate-resilient development

Figure 2: Recommendations for piloting[4]



6.2.1. Recommendation 1: Define approach for piloting

Given that AEs found the approach and the indicator tool too cumbersome and duplicating their own reporting efforts, whereas CSOs found the approach too narrow, an open and flexible approach is recommended for the approach to the pilot phase. This rationale also applies to the definition of progress. Firstly, the assessment of progress can only be made based on values for indicators at the portfolio-level. Therefore, if an open and flexible approach is chosen for the indicators, this implies that the same approach needs to be followed for the determination of progress. Secondly, AEs have inherently different business models and lines of activities. This means that even seemingly simple definitions of progress (e.g. increased number of mitigation/adaptation projects/reduced number of carbon intensive projects or amount of million USD deployed through financial instruments in carbon intensive projects compared to total financial volume of the portfolio) will be unsuitable for some AEs. For example, a number of AEs do only finance mitigation/adaptation projects and for those such a definition of progress would be meaningless.

However, it is suggested to include selected and limited mandatory actions for indicator reporting during the pilot phase for **testing practical applicability** and enabling deeper learning and exchange on the side of the pilot AEs, the other stakeholders and the GCF (see recommendations 2 and 3).

[4] The elements shaded in light blue colour are part of the indicator tool.

The following table provides an overview of the conceptual elements that need to be defined in the approach to be able to implement it in a pilot testing phase. It also includes the recommended approach for this element for the pilot phase and provides an outlook on possible refinements after experience in the pilot phase.

Table 20: Elements of approach in pilot phase[5]

Element of approach	Recommendation for pilot phase	Possible exemplary refinements of approach after experience in pilot phase
Definition of progress		
Definition of an indicator-based approach to determine, if an AE has made progress towards low carbon development and increased resilience, or not	AEs to choose approach based on chosen indicators at portfolio-level for mitigation, adaptation and carbon-intensive, if relevant *Given that particular CSOs have been advocating for certain approaches for measuring progress of AEs towards low carbon development, it would be ideal, if one AE that participates in the pilot would be willing to test such an approach on a voluntary basis (e.g. Sustainable Energy Investment Metrics (SEIM) or similar) so that more experiences can be made with this approach.*	Consider, if AEs should continue to choose approach or if progress should be defined by the GCF (e.g. differentiated by types of AEs).
Scope		
Definition of types of AEs to report progress	All AEs that are willing to take part in the pilot	Consider exclusion of types of AEs (for some time)
Definition of parts of the portfolio to be reported on	All activities in the portfolio of the entity (e.g. across all financial instruments)	Use findings from pilot which activities to potentially exclude from scope (e.g. due to high cost of data gathering)
Definition of mitigation projects	All projects that fall under one of the definition of projects eligible for	Inclusion or exclusion of definitions

[5] The elements shaded in light blue colour are part of the indicator tool.

	mitigation frameworks as presented in Table 11 above, excluding fossil fuel fired power plants	
Definition of adaptation projects	All projects that fall under one of the definition of projects eligible for adaptation frameworks as presented in Table 10 above, or Adaptation Fund definition of an adaptation project	Inclusion or exclusion of definitions
Definition of carbon intensive projects	• Fossil fuel fired power plants • Energy intensive industries (iron and steel, cement, chemicals, pulp and paper, non-ferrous, food processing, textiles and leather, mining)	Inclusion or exclusion of definitions
Definition of advanced AE	It should be defined which AEs should report on the more complex indicators	Depending on the scope of the accreditation / nature of the AE.
Indicators		
Indicators at portfolio-level (mitigation)	AEs to choose from pink or green coloured indicators in indicator tool	Inclusion or exclusion of indicators, decide on those minimum indicators that all AEs should report on in a harmonized manner and those that "advanced AEs" should report on additionally
Indicators at portfolio-level (adaptation)	AEs to choose from pink or green coloured indicators in indicator tool	Inclusion or exclusion of indicators, decide on those minimum indicators that all AEs should report on in a harmonized manner and those that "advanced AEs" should report on additionally
Indicators at portfolio-level (carbon-intensive)	• AEs to choose from pink or green coloured indicators in indicator tool • Tonnes of GHG emissions need to be calculated for at least 5 projects in the portfolio (ideally from different sectors), if relevant	Inclusion or exclusion of indicators, decide on those minimum indicators that all AEs should report on in a harmonized manner and those that "advanced AEs" should report on additionally
Indicators at project-level (mitigation)	• AEs to choose from pink or green coloured indicators in indicator tool • Tonnes of GHG emissions reduced need to be calculated for at least 5	Inclusion or exclusion of indicators, decide on those minimum indicators that all AEs should report on in a harmonized manner and those that

	projects in the portfolio (ideally from different sectors), if relevant	"advanced AEs" should report on additionally
Indicators at project-level (adaptation)	• AEs to choose from pink or green coloured indicators in indicator tool • For at least 5 projects at least one pink indicator needs to be reported on from the corresponding sectoral indicators, if relevant	Inclusion or exclusion of indicators, decide on those minimum indicators that all AEs should report on in a harmonized manner and those that "advanced AEs" should report on additionally
Indicators at project-level (carbon-intensive)	AEs to choose from pink or green coloured indicators in indicator tool	Inclusion or exclusion of indicators, decide on those minimum indicators that all AEs should report on in a harmonized manner and those that "advanced AEs" should report on additionally
Eligible methodologies		
Eligible methodologies for determining the indicator GHG emission reductions from mitigation projects	Methodologies from mitigation frameworks from Table 11	Inclusion or exclusion of further frameworks and methodologies
Eligible methodologies for determining the adaptation benefit indicators	Methodologies from adaptation frameworks from Table 10	Inclusion or exclusion of further frameworks and methodologies
Base year and reporting year		
Base year for comparison of indicators at the portfolio-level	Full calendar year before accreditation	Change of base year
Year of reporting (comparing indicators at the portfolio-level with base year)	3rd full calendar year during accreditation period (or later full calendar years, if feasible)	Change of year compared with base year
Type of reporting		
Type of reporting	Rely on self-reporting	Consider, if 3rd party verification should be introduced

6.2.2. Recommendation 2: Evaluation of pilot phase

The pilot phase should be followed by an **evaluation phase** that evaluates the results and findings of the pilot phase, leading to a revised approach, if deemed necessary. This revised approach could then be used for a more comprehensive application by all AEs, or undergo another revision phase in order to enhance its practical applicability.

6.2.3. Recommendation 3: Consultation with AEs and other stakeholders

In any case, it is recommended that the pilot phase includes more **detailed consultations** with AEs (e.g. in a one-on-one format) and GCF stakeholders (e.g. the CSOs) to decide on the final elements of the approach afterwards.

7. Examples for applying approach

In the following two examples are provided that illustrate which indicators as well as the frameworks and methodologies could be applied at project-level to a given mitigation and adaptation project. The mitigation project is an approved GCF project managed by Deutsche Bank and the adaptation project is an approved adaptation project managed by UNDP.

Table 21: Example for mitigation project

Project name	**Universal Green Energy Access Programme (GCF Project FP027)**
Project sectoral scope	Energy generation and access
Name of AE	Deutsche Bank
Type of AE	International commercial bank
Total project investment	301.6 million USD
Project description	Establishment of an investment fund to finance energy service companies for rural off-grid and mini-grid systems in Benin, Kenya, Namibia, Nigeria and Tanzania. Approximately 50 investments, representing a total volume of USD 500 million, will be made available for off-grid electrification (through, for example, solar-powered home electricity systems, and the establishment, operation and maintenance of solar mini-grids in rural areas), green industrial energy supply, and selected on-grid installations. Through the programme, international private-financing institutions in cooperation with local financial institutions use multilateral public climate finance to increase access to long-term credit lines for local businesses.
Anticipated GHG emission reductions over lifetime	50.6 million t CO_2e

Applicable indicators at project-level (pink or green colour from indicator tool)	• Total number of direct beneficiaries • % of women directly benefiting of the total beneficiaries • MW installed • Tonnes of carbon dioxide equivalent reduced • Tonnes of carbon dioxide equivalent reduced/USD invested • Number of households and individuals with improved access to low-emission energy sources (including % for women) • New jobs created by adopting new energy generation sources (including % for women) • Economic benefits of improving access to energy (USD)
Examples of applicable frameworks for determining GHG emission reductions	• Clean Development Mechanism (CDM) • Verified Carbon Standard (VCS)
Example of applicable methodologies for determining GHG emission reductions	• CDM small-scale methodology: AMS-I.L.: Electrification of rural communities using renewable energy: https://cdm.unfccc.int/methodologies/DB/CCZKY3FSL1T28BNEGDRSCKS0CY0WVA • CDM small-scale methodology: AMS-III.AR. Substituting fossil fuel based lighting with LED/CFL lighting systems: https://cdm.unfccc.int/methodologies/DB/4K7KI9GY79UEHUKF3140PCID64IXCV

Table 22: Example for adaptation project

Project name	**Strengthening the Resilience of our Islands and our Communities to Climate Change (SRIC CC)**
Project sectoral scope	Livelihoods of people and communities
Name of proponent	UNDP
Type of proponent	UN Agency
Total project investment	2.95 million USD
Project description	The main milestones of the project were: Component 1: The revision of the National Sustainable Development Plan. Component 2: The development of the Community Sustainable Development Plans (CSDP's) for each of the islands. Component 3: Delivery of 16 projects on 7 islands under the Small Grants Programme. Component 4: Activities in this component include the release of 3 publications.
Applicable indicators at project-level (pink or green colour from indicator tool)	• Total number of direct beneficiaries • % of women directly benefiting of the total beneficiaries • Average % of targeted population aware of predicted adverse impacts of climate change and appropriate responses • Total number of people adopting climate resilient technologies and practices. • Total number of people adopting climate resilient livelihood options

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ANNEX 1. Interim report (electronic version)

ANNEX 2. Indicator tool (electronic version)

ANNEX 3. Accredited Entities Survey

AE- Survey

The GCF, with the aim of contributing to its main objective to ¨promote a paradigm shift to low-emission and climate-resilient development¨, has started to analyse options to determine "the extent to which the AE's overall portfolio of activities beyond those funded by the GCF has evolved in this direction during the accreditation period" (Board Decision B.11/10, par 35). The GCF therefore aims to develop a methodology that requires the AEs to report the impacts generated by the mitigation and adaptation projects in the AEs portfolio; including the projects financed by the GCF.

For this reason, the GCF has developed a tool with an external consultant to systematically gather information on the impacts of mitigation and adaptation projects and to evaluate the GHG emissions caused by carbon intensive projects in AEs portfolios.

Considering this, it is of great importance for the to obtain feedback from GCF stakeholders on this tool and the process that its implementation would entail. Therefore, the GCF has developed the below survey which also aims to~~,~~ gather information on the reporting practices currently implemented by the AEs regarding their mitigation, adaptation and carbon intensive projects.

Below you will find 22 questions divided in 2 sections.
Institutional profile and general context: general information about the institution-stakeholder
About the tool: it seeks the opinion of the institutions-stakeholders on how the process of adoption and implementation of the tool should look like.

AE Profile

AE	Type		Project Size		E&S Risk category	
	Direct/National		Micro		Category A	
	Direct/Regional		Small		Category B	
	International		Medium		Category C	
			Large			

Financial instruments

Debt		Grant		Equity		Guarantee	
Other							

Name	Position	Contact information

General context

1 **Considering the GCF's intention to promote a paradigm shift towards a low-carbon and more resilient economies, do you consider that AEs are prepared to foster climate resilient and low carbon development?**

They are prepared and have been implementing strict funding criteria to achieve this objective	They are strongly committed and they expect to implement strict funding criteria in the medium term to achieve this goal.	They are firmly committed but consider it a slightly difficult process that will require considerable time to be implemented.

Comments (max 300 character)

2 Do you find the tool presented by the GCF useful?

Yes ☐ No ☐ Indifferent ☐

Comments (max 300 characters)

3 According to your experience and taking into account the CGF´s objective, what improvements/adjustments would you suggest for the tool? (More than one answer possible)

No specific suggestion	☐	Eliminate certain indicators	☐	Clearer instructions	☐
Add other indicators	☐	Add more methodologies	☐	Other	☐ *Please specify (Max 200 characters)*

Comments (max 300 characters)

About the tool

4 Which implementation timeline would you recommend for a successful adoption of this assessment tool?

Complete implementation for the next re-accreditation period	Partial implementation for the next re-accreditation period and fully implemented for the subsequent period	Implementation of a pilot program for the next re-accreditation period and partial implementation for the subsequent period	Other	*Please specify (Max 200 characters)*

Comments (max 300 characters)

5 How do you think the implementation of this assessment process should take place?

All the AEs should implement it at the same time	All the AEs should implement it at the same time but different ambition levels should be defined differentiating between different types of AEs	Gradual implementation. First it should be implemented by the AEs with more experience in reporting (MDBs, Developments Banks…) then by the rest of the AEs	Other	*Please specify (Max 200 characters)*

Comments (max 300 characters)

6 How often do you think the results of this evaluation should be reported?

Annually + Accreditation and re-accreditation process	More than once during the accreditation period + Accreditation and re-accreditation process	Just in the accreditation and the re-accreditation process	Other	Please specify (Max 200 characters)

Comments (max 300 characters)

7 How do you think the information should be reported?

There should be a dedicated online platform to upload the results	Should be part of the periodic information to be reported to the GCF	Should be reported in a separate offline document	Other	Please specify (Max 200 characters)

Comments (max 300 characters)

Existing/Implemented assessment practices (Mitigation and adaptation projects)

8 Do you finance mitigation and adaptation projects in addition to those financed by the GCF?

Yes ☐ No ☐ In process ☐

Comments (max 300 characters)

9 Do you implement a reporting methodology to report on the impacts of mitigation and adaptation projects beyond those financed by the GCF?

Yes ☐ No ☐ In process

Comments (max 300 characters)

10 Which methodologies/indicators do you use to report on the impacts of your mitigation and adaptation projects?

Comments (max 300 characters)

11 **How often do you report on the impacts of your mitigation and adaptation projects?**

Twice a year ☐ Once a year ☐ Another predetermined period of time *Please specify*

Comments (max 300 characters)

12 **Do you finance projects that can be considered as "carbon intensive" (e.g. fossil fuel fired power plants or similar)?**

No, do not finance these projects

Yes, but firmly committed to reduce the financing of these type of projects in the short term (<5 years)

Yes, but committed to reduce the financing of these type of projects in the mid to long term (>5 years)

Comments (max 300 characters)

13 **Do you report on GHG emissions caused by¨carbon intensive¨ (e.g. fossil fuel fired power plants or similar) projects in your portfolio?**

Yes ☐ No ☐ In process ☐

Comments (max 300 characters)	

Additional comments
Max 1000 characters

ANNEX 4. Institutional Stakeholders Survey

Institutional stakeholders

The GCF, with the aim of contributing to its main objective to ¨promote a paradigm shift to low-emission and climate-resilient development¨, has started to analyse options to determine "the extent to which the AE's overall portfolio of activities beyond those funded by the GCF has evolved in this direction during the accreditation period" (Board Decision B.11/10, par 35). The GCF therefore aims to develop a methodology that requires the AEs to report the impacts generated by the mitigation and adaptation projects in the AEs portfolio; including the projects financed by the GCF.

For this reason, the GCF has developed a tool with an external consultant to systematically gather information on the impacts of mitigation and adaptation projects and to evaluate the GHG emissions caused by carbon intensive projects in AEs portfolios.

Considering this, it is of great importance for the to obtain feedback from GCF stakeholders on this tool and the process that its implementation would entail. Therefore, the GCF has developed the below survey which also aims to, gather information on the reporting practices currently implemented by the AEs regarding their mitigation, adaptation and carbon intensive projects.

Below you will find 14 questions divided in 2 sections.
Institutional profile and general context: general information about the institution-stakeholder
About the tool: it seeks the opinion of the institutions-stakeholders on how the process of adoption and implementation of the tool should look like.

Profile and general context

1. Institution represented

2. Name

3. Position

4. Contact information

5 Considering the GCF's intention to promote a paradigm shift towards a low-carbon and more resilient economies, do you consider that AEs are prepared to foster climate resilient and low carbon development?

They are prepared and have been implementing strict funding criteria to achieve this objective

They are strongly committed and they expect to implement strict funding criteria in the medium term to achieve this goal.

They are firmly committed but consider it a slightly difficult process that will require considerable time to be implemented.

Do not know

Comments

About the tool

6 Do you find the tool presented by the GCF useful?

Yes

No

Indifferent

Comments

7 According to your experience and taking into account the CGF´s objective, what improvements/adjustments would you suggest for the tool? (More than one answer possible)

No specific suggestion	☐	Eliminate certain indicators	☐	Clearer instructions	☐
Add other indicators	☐	Add more methodologies	☐	Other	☐ *Please specify*

Comments

8 Do you know any other methodology that would be relevant in this context?

Yes	*Please specify*	No	☐

Comments

9 **Which implementation timeline would you recommend for a successful adoption of this assessment tool?**

Complete implementation for the next re-accreditation period	Partial implementation for the next re-accreditation period and fully implemented for the subsequent period	Implementation of a pilot program for the next re-accreditation period and partial implementation for the subsequent period	Other	*Please specify*

Comments

10 **How do you think the implementation of this assessment process should take place?**

All the AEs should implement it at the same time	All the AEs should implement it at the same time but different ambition levels should be defined differentiating between different types of AEs	Gradual implementation. First it should be implemented by the AEs with more experience in reporting (MDBs, Developments Banks…) then by the rest of the AEs	Other	*Please specify*

Comments

11 How often do you think the results of this evaluation should be reported?

Annually + Accreditation and re-accreditation process	More than once during the accreditation period + Accreditation and re-accreditation process	Just in the accreditation and the re-accreditation process	Other	*Please specify*

Comments

12 How do you think the information should be reported?

There should be a dedicated online platform to upload the results	Should be part of the periodic information to be reported to the GCF	Should be reported in a separate offline document	Other	*Please specify*

Comments

Additional comments

ANNEX 5. Summary of Heinrich Böll Stiftung North America Survey Submission

QUESTION 1-4 – general, profile of the submitting institution

QUESTION 5:

The multiple choices provided are guiding and therefore provide no utility, as they presuppose that all Accredited Entities by sheer association with the GCF through accreditation are planning to be on the “right track”. It for example does not acknowledge that an affiliation with the GCF by an entity might be sought for “greenwashing” reasons to gloss over attempts by the institution to maintain an otherwise continued overwhelmingly “brown” portfolio.

In reality, given the diverse set of actors that the GCF has as implementation partners, with very different backgrounds (f.ex. government department vs. large commercial bank; NGO vs. multilateral or bilateral development bank), both their intentions and capabilities vary widely, as does the size of their overall portfolios. Therefore, the ability of any one or few GCF funded projects to contribute to an overall paradigm shift within the AE is likewise very varied, depending on the AE. This is why this exercise is so important, and why it is crucial to address a shift in the entire portfolio of financial interactions of an AE toward positive climate related impacts and exposures of investments and financial flows, irrespective of its size or financing approach/use of financial instruments (which again, very widely – with many AEs, especially smaller and direct access entities only accredited for project management of grants, not the full set of financial actions).

One core indicator for the baseline assessment should for example be the explicit commitment by larger financial institutions/financial intermediaries (in media announcement, board commitments, internal investment principles etc.) to align their entire financial flows with the mandate of Art. 2 of the Paris Agreement. This could be a simple check – does such a public commitment exist? Has the FI started to transparently and publicly report against it? Such a yes/no indicator/check could/should complement a more detailed/complex GCF methodology.

QUESTION 6 – utility of tool – NO

Comments

As currently presented, the utility of the proposed tool– which is in itself not a methodology but basically presents an expanded version of the existing GCF Performance Measurement Frameworks for Mitigation and Adaptation (which themselves are not yet finalized) – is doubtful. While the PMFs are intended to be useful to capture the portfolio assessment of all GCF funded mitigation/adaptation/cross-cutting investments (presumably on an annual basis) based on the assumption that all of these activities to varying degrees (and those varying degrees are assessed) contribute to climate-improvements, they are NOT USEFUL to capture the respective entire portfolio of AEs (which in most instances will include investments that support climate improvements as well as those that might be counter to climate improvements). The sheer quantitative counting ("number of beneficiaries", "MW of low-emission energy"= absolute numbers) is less useful for an assessment of a portfolio shift then the relative importance of the GCF funded portion of the portfolio, which would be much better captured in questions such as:

- What percentage/share of approved energy projects, supported by the AE, provides low-emission energy on an annual basis? Does the AE have public (sector) targets? Have those been fulfilled (with public disclosure of results)? Has this percentage grown over time?
- What is the percentage/share of approved development projects, supported by the AE, that have been climate-proofed on an annual basis by avoiding climate vulnerability and maladaptation and focusing on building resilience? Does the AE have public targets? Have those been transparently fulfilled? Has this percentage grown over time? Is there an assessment to recognize/prevent/address maladapation? Has the percentage/share of projects that lead to maladaptation, climate vulnerability been reduced?

With the focus on the "expanded PMF", it seems to place a huge burden on AEs (especially smaller scale, direct access entities only involved in project management) without adding value to the knowledge gained.

As currently presented, it seems to be the completely wrong approach (it is a spreadsheet, not a tool that provides guidance or gives methodological help) and is asking questions about the range of impact areas of the GCF, even if some AEs only engage in some activities related to a much narrower subset of GCF impact areas. Methodological help (f.ex. calculation assistance) is however exactly what a number of the smaller AEs and DAEs require, such a Ministry of Finance, or a Department of Environment, or an NGO/entity focused narrowly on local community engagement in select sub-sectors. Just providing links to such possible methodologies is not enough.

Additionally, the heavy reliance of the tool on the existing GCF PMFs is more project investment focused, but not analytically descriptive of entire portfolio financial flows, f.ex. such as equity investments, bond measures etc. It is for example not clear how an AE reporting against the proposed tool would fill out the tool for a fund-of-fund approach (such as the GCF's investment in the GEEREF Nxt), where a quantitative assessment would be purely ex-ante speculative, since many portfolio investments might be with a longer duration than the 5 year reporting period that has to be the basis of the baseline methodology for re-accreditation.

Again, the chosen approach seems to focus too much on typical project finance, but does not seem suitable or reflective enough to report transparently and publicly the entire portfolios of large financial intermediaries (public and private). As CSOs already in May 2016 have pointed out in a submission to the GCF Secretariat and AP (see: https://us.boell.org/sites/default/files/uploads/2012/10/recommendations_to_gcf_on_portfolios_of_activities_of_accredited_entities_may_5.pdf) , it would be important to also look at climate-related financial risk disclosures (work of the financial stability Board at https://wwww.fsb-tfd.org) or look at frameworks of how an entity's entire financial portfolio is aligned with <2 Degree Centigrade pathways (http://2degreesinvesting.org).

Lastly, given the secrecy that currently surrounds GCF private sector financial intermediation investments (for example for equity investment support) it is also not quite clear how the proposed tool would propose to publicly and transparently disclose what some AEs might claim is proprietary information.

QUESTION 7

ALL OF THE ABOVE

1) As described above under question 6, the utility of many of the quantitative/absolute indicators as part of the task at hand is questionable; many of these indicators would have to be replaced by a set of different ones speaking to the percentage or portion of an AEs portfolio/activities that is aligned with climate goals (which would not need to be aligned with the quantitative GCF PMF indicators to show climate-relevance, although some of them could be applicable).
2) There needs to be much clearer instructions for the AEs for example on whether and how to address attribution in co-financed/blended project finance and for different financial instruments (are grants management, debt and equity stakes to be treated the same???)
3) As mentioned above, currently the majority of indicators focuses on project finance investments. However, looking at the current portfolio of the GCF, actually most of the finance is spend for financial intermediation projects, where the actual investments to be undertaken in the future are not yet known (f.ex. fund-of-fund approaches or programmatic approaches under a financing framework). Again, see relevant CSO suggestions under relevant CSO submissions from 2016, namely http://awsassets.panda.org/downloads/wwwf_recommendations_to_gcf_on_portfolios_of_activities_of_accredited_entities_5_may_2016.pdf) and also for further detail https://www.sierraclub.org/sites/www.sierraclub.org/files/uploads-wysiwig/Portfolio%20Evolution%20Submission%20Sierra%20Club%202ii%20%28May%202016%29.pdf and https://us.boell.org/sites/default/files/uploads/2012/10/recommendations_to_gcf_on_portfolios_of_activities_of_accredited_entities_may_5.pdf

4) As also mentioned under question 5, an important qualitative indicator should be the explicit adoption of the objectives in Article 2 of the Paris Agreement as a core and determinant element of the entity's climate policy framework, especially of larger public and private sector financial institutions and development banks. This can/should be easily verified and be publicly available as well as prominently displayed and used in internal FI performance assessment as well (and not just in its relationship with the GCF – although the tool would fulfill its purpose if the re-accreditation procedures prompts an entity to publicly and verifiably make such a commitment).

QUESTION 8:

Comments

Yes, see submissions made by a number of CSOs active in the GCF, including Friends of the Earth US, Heinrich Böll Stiftung North America, Sierra Club, WWF International and 2dII in May 2016 and available via the following links:

https://www.sierraclub.org/sites/www.sierraclub.org/files/uploads-wysiwig/Portfolio%20Evolution%20Submission%20Sierra%20Club%202ii%20%28May%202016%29.pdf

http://awsassets.panda.org/downloads/wwwf_recommendations_to_gcf_on_portfolios_of_activities_of_accredited_entities_5_may_2016.pdf

https://us.boell.org/sites/default/files/uploads/2012/10/recommendations_to_gcf_on_portfolios_of_activities_of_accredited_entities_may_5.pdf

Since the time of the submission of those suggestions, further methodological improvements have been made, especially with respect to commercial bank loan portfolios. Unfortunately, the proposed tool seems to complete ignore broader overall investment portfolios beyond project finance, despite the relevance and volume of these investments for the overall GCF portfolio. Without an acknowledged focus on broad investment portfolios (including the wide variety of financial instruments for future, yet to be determined sub-project investments or fund-of-fund portfolio investments), the tool is not useful for the GCF which relies increasingly on financial intermediation, blended finance, and programmatic as well as fund-of-fund investment approaches.

QUESTION 9:

Comments

A completely revamped took should be finalized in time for the first re-accreditation assessment of the first accredited entities (mostly MDBs and UN agencies because of their fast-track accreditation). The first GCF AEs were accredited in March 2015, with the first GCF projects approved in November 2015 just before the Paris Agreement was finalized at COP21. Thus, depending on the overall process and expected time-line for re-accreditation, the time-line for Board approval of the methodology needs to be completed in time for the re-accreditation process to start. This could be conceivably by B.23 (or B.24 at the very latest). The re-accreditation of the first accredited entities (again, overwhelmingly MDBs) will then also provide a good text case on whether the tool really comprehensively captures "overall portfolios" as required beyond project finance. As many direct access entities were accredited later, it is only fitting that the MDBs would be required to show best-case application of the metholodgy and share lessons learned, from which later entrant AEs, again, many direct access entities among them, could profit. It would be also necessary that the stipulation of the decision that allowed for the fast-tracking of international entities such as the MDBs, namely to support the accreditation of direct access entities through active capacity building (GCF decision B.08/03, para (j)) is also used to support the capacity-building and learning by direct access entities on how to report on their overall portfolio shifts when it is time for their re-accreditation. NOTE: it would be absolutely inequitable, and fail to capture the largest percentage of portfolio of approved GCF investments thus far, if early entrant MDBs because of their re-accreditation coming up already in early 2020, would avoid application of the methodology (if there are delays for example in development and Board approval of the methodology), while later DAEs might be hit with the requirement.

QUESTION 10:

Comments

Second option. As already outlined under question 5, ambition levels should be differentiated between AEs, reflecting the differences in their portfolio types as well as their use of financial instruments (grant management vs. financial intermediation, small-scale, low to no-risk projects vs. large-scale high-risk investments). The level of detail provided should be much higher for the accredited entities engaging in the latter (large scale, high-risk financial intermediation), than the former (management of grant-finance micro- or small-scale low-risk projects). In line with the current "fit-for-purpose" accreditation approach, there might have to be a differentiated "fit-for-entity" methodology with different ambition levels. With upgrading of an AE to a larger scale/higher risk category/financial intermediation the expected ambition in reporting should be upgraded as well. While in many cases this distinction might fall along the line of international vs. direct access entity, the categorization as international access vs. direct access entity in and of itself should not be ground for differentiation of ambition. However, it might be conceivable that in the case of direct access entities more capacity-building support or a longer phase/in/transition period might be provided. This should be decided case-by-case, based also on a capacity assessment (f.ex. the level of details DAEs were able to provide in their Annual Performance Reports (APR) or whether there have been significant reporting gaps/weaknesses in the APRs, which could be taken as an indication that further capacity building support or a longer phase-in/transition period might be needed).

QUESTION 11:

Comments

As the methodology is to show overall portfolio shift over time, it makes sense to focus primarily on the accreditation process (NOTE: what does this mean for entities already accredited before the methodology was developed? Will they be asked to report ex-poste? – see the question of equity as otherwise the MDBs and their largely intermediation focused GCF investment portfolio would be exempted) and the re-accreditation process 5 years down the line. However, it could be interesting to think of a very simple indicator (such as "annual percentage of the AEs investment portfolio aligned with the Paris Agreement <2 degree Centigrade objective, as self-reported according to AEs own climate framework" or something similar) as something that is included in the yearly Annual Performance Report (APR) and thus anchors a public reporting requirement/and transparent commitment to the whole portfolio shift in its annual required reporting to the GCF for its GCF-funded portfolio).

QUESTION 12:

To the extent possible, data should be publicly available and transparently reported in an online platform (for example integrated in the GCF website under its Accredited Entity Directory (https://www.greenclimate.fund/how-we-work/tools/entity-directory). It would also be very important that in reporting the AE complies with the PRO-ACTIVE GCF Information disclosure policy, i.e. that withholding of information on proprietary grounds should be kept to an absolute minimum. As a matter of fact, the progressively improved public transparency of financial information of GCF accredited AEs could be used as one indicator of the methodology to proof seriousness/public commitment to the "overall portfolio" shift. At the bare minimum, the unwillingness of AEs to disclose such information on proprietary grounds needs to be made public and publicly reported in such a database to peer pressure through best practice and ideally increase accountability and transparency over time.

QUESTION 13:

As mentioned in the responses to prior questions, we would recommend that in developing the methodology beyond the limited tool presented currently, several prior CSO submissions on this question re taken into account. They can be found at:

https://www.sierraclub.org/sites/www.sierraclub.org/files/uploads-wysiwig/Portfolio%20Evolution%20Submission%20Sierra%20Club%202ii%20%28May%202016%29.pdf

http://awsassets.panda.org/downloads/wwwf_recommendations_to_gcf_on_portfolios_of_activities_of_accredited_entities_5_may_2016.pdf

https://us.boell.org/sites/default/files/uploads/2012/10/recommendations_to_gcf_on_portfolios_of_activities_of_accredited_entities_may_5.pdf

The current took seems to be too narrowly focused on an outdated carbon footprinting approach (which is for example not suitable or sufficient to do justice to the WHOLE portfolio shift= encompassing mitigation AND adaptation, as required by the Board decisions), while newer approaches that look at the alignment of investments and portfolios with climate targets (both positive targets and in disclosing climate risks) are not taken into account.

Analytical methods for many asset classes have developed quickly in the last few years - we would be happy to provide a more detailed list of resources.