



**GREEN
CLIMATE
FUND**

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Status of the GCF portfolio: approved projects and fulfilment of conditions

Summary

This document provides an update on the status and trends of the Readiness and Preparatory Support Programme, the Project Preparation Facility, and funded activities as well as the fulfilment of conditions, as of 31 March 2022. Portfolio values in this document are presented in nominal terms and United States Dollar equivalent, unless otherwise specified.

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I. Mandate

1. The Governing Instrument for the GCF,¹ in paragraph 23(d), established the mandate for the Secretariat to carry out monitoring functions and prepare reports on the performance of the implementation activities under GCF.
2. In addition, the Board requested the Secretariat to provide reports on the status of the fulfilment of all conditions decided by the Board (decisions B.14/07, paragraph (j), and B.17/09, paragraph (c) and annex III); and to provide reports on the status of implementation of funding proposals approved by the Board (decision B.16/02, paragraph (n)).
3. This document presents an update, for the reporting period from 1 January 2022 to 31 March 2022, on the overall status of the 584 grants approved under the Readiness and Preparatory Support Programme (Readiness Programme), the 50 grants approved under the Project Preparation Facility (PPF), and the 192 funding proposals approved by the Board up to its thirty-first meeting (B.31), as well as the fulfilment of conditions.

II. Portfolio review

4. Despite the extraordinary circumstances and unprecedented implementation challenges related to the coronavirus (COVID-19) pandemic, the Secretariat continues to make significant efforts in managing the Readiness Programme and PPF grant operations as well as a fast-growing portfolio of the projects under implementation while taking a series of adaptive management measures to support implementation by delivery partners, national designated authorities (NDAs), and accredited entities (AEs). In line with these efforts, the Secretariat has also been improving its management systems for monitoring performance and climate results from the GCF portfolio. The following sections and annexes outline these efforts in relation to portfolio implementation monitoring, adaptive management of the portfolio for performance and results, status and trends of the GCF portfolio (Readiness Programme, PPF and funded activities), and an overview of fulfilment of conditions status.

Portfolio implementation and adaptive management measures

5. The Secretariat continues to proactively engage with AEs during the funding proposal development process and after approval to ensure that their projects/programmes move to the implementation stage as swiftly as possible. The total number of projects under implementation thus reached 156 out of the total 192 approved projects, or 81 per cent of the total portfolio funding amount.
6. For the projects under implementation, the Secretariat is actively liaising with AEs, dedicating increasing attention to monitoring individual project circumstances, processing adaptive management requests and facilitating adherence to project implementation timelines and timely disbursements, especially in the light of the growing challenges faced by project stakeholders owing to the COVID-19 pandemic (see para. 9 below for details).
7. These efforts contributed to the realization of the targeted cumulative disbursement range of USD 1.87–USD 2.08 billion set out in the 2021 work programme similar to the feat achieved in 2020. As of 31 March 2022, the cumulative disbursement had reached USD 2.5

¹ The Governing Instrument was approved by the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) at its seventeenth session and is annexed to UNFCCC decision 3/CP.17. Available at <<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf>>.

billion and the average disbursement rate of total portfolio under implementation is 37 per cent; during the reporting period, 20 projects received USD 227 million of disbursements.

8. By the end of 2022, the cumulative disbursement is expected to fall in the range of USD 3.2 billion to USD 3.6 billion.

Pre-emptive responses to the COVID-19 pandemic

9. The impact of COVID-19 on the portfolio has continued to slow down implementation during the reporting period due to limited access to project sites by travel restrictions; delayed and disrupted training, workshops, launch of pilot projects and conduct of feasibility and baseline studies; and lower expenditure and lower disbursements caused by delayed procurements including extensions of tender submission dates, decreased loan demands and increased project management costs with an unstable market. This in turn impacted project implementation timelines and disbursement schedules, which registered delays due to the challenges of carrying out many critical project activities in light of country-level lockdowns.

10. The adaptive portfolio management measures put in place to address implementation challenges posed by the COVID-19 pandemic are still being implemented, including allowing budget reallocations to allow for more flexibilities in the use of GCF proceeds, extensions of project timeline and durations (closing and completion dates) and providing flexibility for disbursement schedules to allow continued implementation while allowing more time to comply with conditions that need to be met prior to commencement of execution of certain activities.

11. For the period January to March 2022, eleven (11) adaptive management requests were processed. These comprised one (1) extension of the project duration, changes to the name of the executive entity for one (1) project, whilst others relate to extensions to the following: timelines to submission of interim evaluations (3), inception reports (4) and annual performance reports or APRs (1), as well as one (1) APR waiver. Out of the eleven requests, eight (8) came from international access entities (IAEs) and three (3) from direct access entities (DAEs) and were solely public sector projects. In addition to the above-mentioned measures, the Secretariat is developing a project-level risk and performance management approach which will be anchored in the GCF monitoring and accountability framework and risk management framework. The approach to how operational risks and performance are monitored and assessed at the project level will support the identification of early warning signals for potential risks and low performance and assist informed decision-making on remedial measures. The portfolio performance management system (PPMS) paired with its associated risk monitoring dashboard will serve as a centralized platform to manage and analyse the data of project risk and performance.

12. For the Readiness Programme and PPF, the Secretariat continues to approve grants and apply the climate-resilient recovery adaptive management response action plan. In this regard, the requests for no-cost extensions, as well as use of the contingency budget lines for the readiness grants, are being approved by the Secretariat to help delivery partners and NDAs adapt to challenges related to the current pandemic.

13. The Secretariat has also been having constant engagements with the AEs, delivery partners, and other partners in order to provide support to projects, and has streamlined operational procedures to ease implementation start-up challenges. The Secretariat has also been engaging with these partners as appropriate to address issues related to compliance with GCF agreements and fiduciary responsibilities while seeking to minimize disruptions to grant implementation activities.

Implementation of the portfolio performance management system

14. The PPMS is continuously improving to support GCF evidence-based investment and management decisions as well as data governance. Following the launch of the first module of the PPMS for funded activities in January 2021, with functionality that automates the submission by AEs of various reports such as annual performance reports and inception reports, the Secretariat has launched three additional modules in 2021 to enable AEs to submit the following through the PPMS: semi-annual financial information reports; annual audited financial statements; and waiver requests for any report submitted through the PPMS. Providing AEs and internal users with training materials, training sessions and troubleshooting services has also optimized the usage of the various PPMS modules.

15. In addition, the Secretariat has developed a disbursement module and conducted Secretariat-wide consultations and user acceptance tests on the module with AEs and internal users ahead of the launch of the module in early 2022. The additional module is expected to support centralization of all the disbursement process steps and communications between AEs and the Secretariat, thereby systematically managing disbursement requests as well as related data and documentation. The Secretariat intends to continue to improve the system taking into account feedback from AEs and internal stakeholders, and plans to launch the same system for the Readiness Programme in early 2022 to accelerate its digital transformation.

GCF portfolio data management strategy

16. As part of efforts to strengthen data governance and management, the development of the GCF portfolio data management strategy and roadmap has been completed with an endorsement of the Secretariat's senior management team. Subsequently, a cross-divisional team comprising data stewards/officers has been formed to undertake various data governance initiatives. As a use case, the first version of the GCF Open Data Library (ODL) was launched in December 2021. The ODL is expected to serve to streamline access to portfolio data, analyses and visualization throughout the Secretariat. The ODL will also contribute to more effective and efficient monitoring and analytics with respect to portfolio implementation performance and results, decision-making support and data-driven response mechanisms.

Project risk and performance management approach

17. Under the GCF portfolio data management strategy, as another use case the Secretariat has piloted the first version of a project-level risk monitoring dashboard for funded activities. Supported by a project risk and performance management approach (policy-side) in development and the PPMS (system-side), the dashboard will serve as a centralized tool to manage and analyse the data on project risk and performance.

18. Preliminary work has also begun to develop the project risk and performance management approach that will define methodologies to monitor and track project risk and performance factors throughout the project activity cycle from project origination to closure.

19. As the Secretariat will implement the project risk management functions by utilizing the PPMS as a centralizing platform, the system is being integrated with other existing IT solutions and databases to enable information exchange on project risks and performance across divisions and independent units. This integration will also facilitate analysing project risks and identifying early warning signals, thereby enabling timely execution of corrective actions and assessment of individual project performance more systematically, with the ultimate objective of improving the overall health of the portfolio.

Management of climate results

20. Good progress was made during this reporting period on strengthening climate results. Firstly, the funding proposal template has been updated to reflect changes related to climate results data capture following the adoption of the integrated results management framework (IRMF) by the Board at B.29 and shared with AEs for feedback. The funding proposal template incorporating AEs' feedback is planned to be officially launched in January 2022. Secondly, an accompanying results handbook to the IRMF has been developed with an objective to support AEs to implement the IRMF. The handbook will be submitted for the Board's consideration at B.31. Thirdly, preparatory work for an IRMF webinar week for AEs (planned for early 2022) began, including through the operationalization of a dedicated new funding window for DAEs to help them implement the IRMF. The guidance note and proposal template for the new funding window were developed and published on the GCF website during this reporting period. Based on these resources, a series of capacity-building and support initiatives are planned to take place in 2022.

21. The implementation of the findings from the monitoring and evaluation gaps analysis report, "Addressing gaps in the current portfolio for measurement" (GCF/B.28/04), continued during this period following clearance of the proposed remediation approach by the Board at B.28. Building on the assessment of the portfolio of 100 approved projects, the monitoring and evaluation gaps analysis report proposes providing technical and financial support to a group of AEs with significant result measurement gaps. Following the approval of the budget for phase I of the remedial measures on 18 August 2021 through B.BM 2021/17, in November 2021, through an open procurement process, the Secretariat retained the services of a vendor, Asesoramiento Ambiental Estratégico (AAE), to support the work of the Secretariat in negotiating with AEs that are willing to implement remediation measures. During the reporting period, the Secretariat and the vendor conducted interviews with all AEs and began preparing a workplan and budget for phase II of the remedial measures. The full package of remediation activities, and the workplan and budget are planned to be finalized by the end of February 2020 and subsequently submitted to the Board for its approval.

22. During the reporting period, the Secretariat started engaging with AEs to confirm and finalize the recalculated ex-ante estimates of greenhouse gas emission reductions for a total of 63 approved projects (approved prior to B.24). The revised estimates, once confirmed by the relevant AEs, will strengthen credibility of reported mitigation impact.

23. Finally, the Secretariat commenced an analysis of the adaptation beneficiaries in the existing portfolio, targeting approximately 100 adaptation and cross-cutting projects approved at or prior to B.29. As part of this exercise, the Secretariat with the support of a consulting company plans to develop a methodology for estimating beneficiaries in the GCF portfolio and based on that conduct a reassessment of the adaptation beneficiaries in the approved projects.

24. These two exercises will allow the Secretariat to improve its reporting on the actually achieved climate results in the portfolio in a transparent and reliable manner.

Going forward

25. In 2022, the operational focus of GCF will be continuously placed on optimizing implementation processes, through digitization and assessing and improving climate results. Further work on developing a more standardized/coherent approach to assessment and project adaptation results is planned.

26. In line with the increasing volume of projects under implementation, the Secretariat will also continue to work on initiatives to support proactive portfolio monitoring and management,

ensure dynamic adaptive management processes, and build stakeholders' capacities especially in the context of the COVID-19 pandemic. Where applicable, the Secretariat will conduct site visits and ad hoc checks as part of its efforts to strengthen portfolio implementation based on the project performance and risks assessed through the project risk and performance framework that is under development.

III. Status and trends of the GCF portfolio of the Readiness Programme, Project Preparation Facility and funded activities

3.1 Readiness and Preparatory Support Programmes

3.1.1. Status and trends of approvals from 2015 to 2022 Q1

27. The Readiness Programme encompasses five objective areas (identified in annex IV to decision B.22/24), which are grouped into the two categories of adaptation planning support and other readiness activities. Adaptation planning support covers the formulation of national adaptation plans (NAPs) and related processes and activities. The other readiness support (non-NAP) covers capacity-building, implementation of strategic frameworks for climate finance, pipeline development through support to DAEs, and knowledge-sharing and learning.

28. Since the beginning of the Readiness Programme in 2015, the Secretariat has approved 584 readiness grants covering 141 countries with a total funding of USD 413 million.² Of these, 476 grants had received disbursements³ totalling USD 213 million (see figure 1). As of 31 March 2022, there were 410 grants under implementation, 86 grants were pending the finalization of legal agreements to start their implementation, 78 grants were successfully closed (after completion of their activities), and 10 grants had been cancelled. Of the 410 grants under implementation, 110 were pending closure after review of their closure reports and other relevant documents.

² For proposals approved in euros, the exchange rate applied was EUR 0.881 = USD 1.000 in accordance with the United Nations Operational Rates of Exchange, effective as of 31 March 2022. Due to rounding, figures presented in this document may not add up to total(s) provided.

³ The number of grants that had received disbursements include 394 grants under implementation, 78 closed, and 4 cancelled.

Figure 1: Key information on the Readiness and Preparatory Support Programmes

| Status of grants | | | | | |
|-------------------------------|---|---|--|---|-------------------------------|
| 584 Grants approved | 476 Grants received disbursements | 188 Grants submitted completion reports | 78 Grants completed and closed | 410 Grants under implementation | 10 Grants cancelled |

in USD

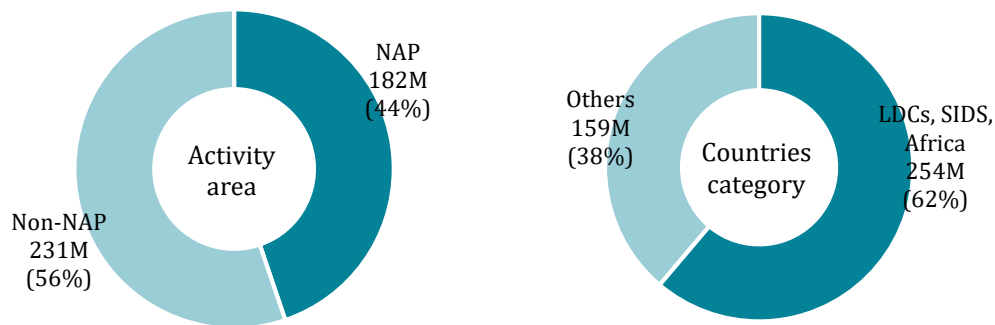


Abbreviation: M = million.

29. As of 31 March 2022, USD 182 million (equal to 44 per cent) of the total Readiness Programme funding of USD 413 million was geared towards supporting 81 NAP-related grants in 76 countries; while the total funding for NAP-related grants has increased by USD 7 million (a 4 per cent increase) from the last reporting period until 31 December 2021, the proportion of funding for NAP-related grants in the Readiness Programme portfolio has decreased by 1 per cent. The remaining USD 231 million (equal to 56 per cent) was supporting 503 non-NAP activity areas in 140 countries (see figure 2); the total funding for non-NAP activity areas has increased by USD 15 million (a 7 per cent increase) from the last reporting period until 31 December 2021, and the proportion of funding for non-NAP activity areas in the Readiness Programme portfolio has increased by 1 per cent.

30. GCF aims for a floor of half of the Readiness Programme support for vulnerable countries, namely least developed countries (LDCs), small island developing States (SIDS) and African states. Of the total 141 countries covered by the Readiness Programme portfolio, 94 are categorized as LDCs, SIDS and/or African States. The Readiness Programme has allocated USD 254 million (equal to 62 per cent) of total approved support to these countries (see figure 2).

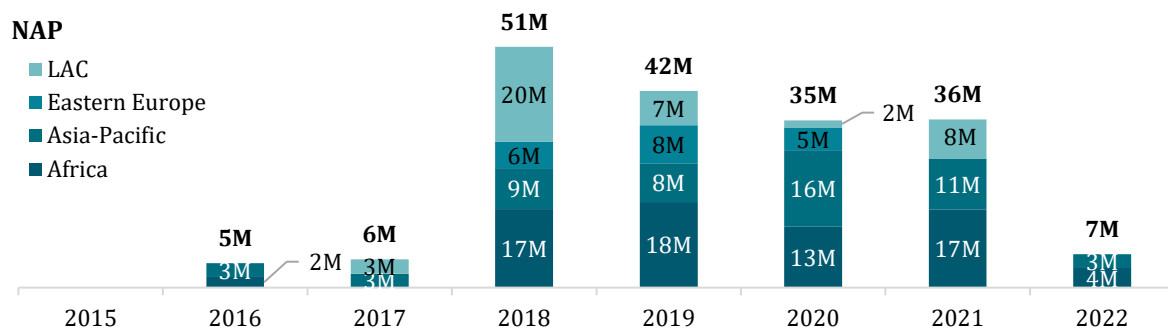
Figure 2: Readiness and Preparatory Support Programmes by key dimensions (in USD)



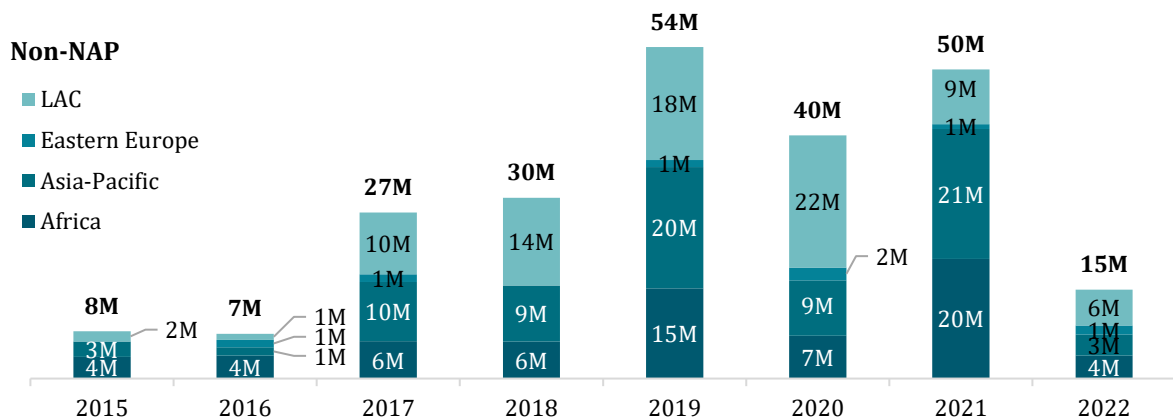
Abbreviations: LDC = least developed country, M = million, NAP = national adaptation plan, SIDS = small island developing State.

31. In terms of the regional distribution of the Readiness Programme, the Africa region accounts for USD 134 million (equal to 33 per cent) of the total approved funding, which is an increase of USD 8 million (a 6 per cent increase) since the last reporting period until 31 March 2021. This is followed by the Asia-Pacific region that accounts for USD 129 million (equal to 31 per cent), which is an increase of USD 6 million (a 5 per cent increase) since the last reporting period. The Latin America and the Caribbean region accounts for USD 123 million (equal to 30 per cent), which is an increase of USD 6 million (a 5 per cent increase) since the last reporting period. The Eastern Europe region accounts for USD 26 million (equal to 6 per cent), which witnessed a slight increase since the last reporting period (see annex I). Figure 3 shows the regional distribution for NAP and non-NAP activities.

Figure 3: Trend in regional distribution for national adaptation plan (above) and non-national adaptation plan⁴ (below) activities (in USD)



⁴ There is a caveat to the chart of regional distribution of the funding amounts in non-NAP activities, which included errata in the approved amount for Latin America and the Caribbean and Africa for the year 2021 (i.e., 10 million and 19 million respectively) in GCF/B.31/Inf.12.



Abbreviations: LAC = Latin America and the Caribbean, M = million.

3.1.2. Implementation and completion

32. The portfolio of Readiness Programme grants under implementation has grown steadily, with the cumulative number of approved grants increasing from 553 in December 2021 to 584 at 31 March 2022, which is an increase of 6 per cent in 6 months. In the same period, there has been a 3 per cent increase in the number of grants receiving disbursements, from 461 grants at the end of 2021 to 476 as of 31 March 2022; this corresponds to a 7 per cent increase in the value of disbursements from USD 199 million in December 2021 to USD 213 million in March 2022. The Secretariat has received a total of 188 completion reports as of 31 March 2022, compared with 172 as of 31 December 2021, and the number of grants completed and closed has increased from 66 to 78 during the same period.

33. The COVID-19 pandemic continues to adversely affect the pace of implementation of the Readiness Programme grants in various ways: delays in procurement, changes in the mode of delivering training sessions and workshops, uncertainties in travel and public gatherings, and reprioritization of available government resources. This will likely continue throughout 2022. As of 31 March 2022, since the onset of the COVID-19 pandemic the Secretariat has approved 263 no-cost extension requests that were either partially or totally attributed to the pandemic impacts, which marked an increase of 10 per cent compared with the previous reporting period.

34. The GCF Secretariat is closely monitoring the status of grants in countries and engaging with NDAs and delivery partners to support timely adaptive management where necessary. The Secretariat approved a total of 34 amendment requests during the reporting period, of which 16 were no-cost extensions, 12 were budget reallocations, and 6 were for grant restructurings. Of these amendments, 7 budget reallocations and 4 grant restructurings were related to the impacts of COVID-19.

3.2 Project Preparation Facility

3.2.1. Status and trends of approvals from 2015 to 2022 Q1

35. The Project Preparation Facility (PPF) supports AEs in project and programme preparation, and the primary focus is on supporting DAEs and projects in the micro and small size categories.

36. As of 31 March 2022, GCF approved 50 PPF grants in 64 countries⁵ with its funding of USD 32 million. As of 31 March 2022, GCF had disbursed USD 24 million to PPF grants (see figure 4).

Figure 4: Key information on the Project Preparation Facility

| Status of projects | | | | |
|--------------------|-------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| 50 | 42 | 19 | 7 | 35 |
| Grants approved | Grants received disbursements | Grants submitted completion reports | Grants completed and closed | Grants under implementation |



Abbreviation: M = million.

3.2.2. Implementation and completion

37. It is expected that 28⁶ out of 50 PPF grants will be completed over the 2022–2023 period. The PPF portfolio has also experienced delays in implementation, similar to those that have been witnessed in the Readiness portfolio. To date, a total of 39 PPF grants have been granted no-cost extensions. In terms of the submission of funding proposals that were supported by the PPF, a total of 16 funding proposals have been submitted to GCF as of March 2022.⁷

3.3 Funded activities

3.3.1. Progress towards GCF-1 portfolio targets and allocation parameters

38. As per decision B.27/06 on the Updated Strategic Plan for the GCF: 2020–2023, the Board requested the Secretariat to reflect the first replenishment (GCF-1) allocation parameters and portfolio targets as set out in table 1 of the decision or as follows:

⁵ There is a caveat to the number of countries with approved PPF grants, which included erratum (i.e. 35 countries) in GCF/B.31/Inf.12. The number reported was 52 countries as of 31 December 2021.

⁶ A caveat is that 5 out of 28 approved PPF applications include those that have been approved as of 31 March 2022 but not being effective yet due to the pending procedures (e.g. signing of legal agreements and on-going selection of PPF service firms). The reported figure of the number of PPF applications expected to be completed during 2022 to 2023 is subject to change depending on the speed of executing procedures in future.

⁷ The total number of funding proposals includes those submitted before the PPF closure.

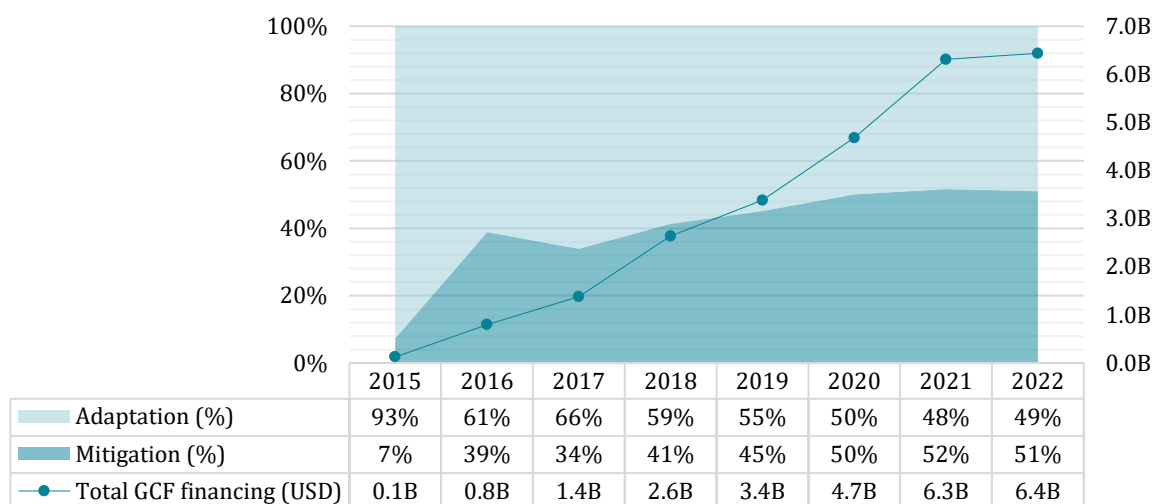
- (a) A 50:50 funding balance between adaptation and mitigation over time in grant equivalent terms, while seeking to deliver portfolio-level mitigation and adaptation outcomes that exceed average initial resource mobilization (IRM) outcomes;
- (b) A floor of 50 per cent of the allocated adaptation funding to be channelled to developing countries that are particularly vulnerable to the adverse effects of climate change, including LDCs, SIDS and African States, while aiming to build on IRM outcomes;
- (c) A reasonable and fair allocation across a broad range of countries in order to ensure the appropriate geographic balance of funding;
- (d) Significant increase of funding channelled through DAEs relative to the IRM;
- (e) Maximization of engagement with the private sector, including through micro, small and medium-sized enterprises, ensuring allocation to the Private Sector Facility exceeds 20 per cent in grant equivalent terms; and
- (f) Significant increase of mobilized private sector finance at the portfolio level relative to the IRM.

39. The allocation parameters (a) and (b) are also in line with guidance in the United Nations Framework Convention on Climate Change (UNFCCC) decision 7/CP.20, paragraph 13, where the Conference of the Parties (COP) requested the Board, in its implementation of the accreditation framework, to pay adequate attention to the priorities and needs of developing country Parties, including LDCs, SIDS and African States.

Balance of adaptation and mitigation funding

40. As of 31 March 2022, the portfolio allocation between mitigation and adaptation tilted in favour of mitigation at 51:49 respectively in grant equivalent terms (as shown in figure 5).

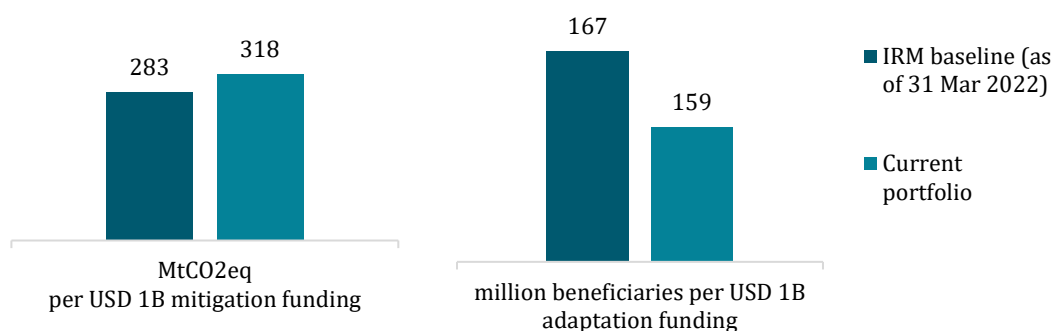
Figure 5: Balance of adaptation and mitigation funding over time (in grant equivalent terms)



Abbreviation: B = billion.

41. Ex-ante estimates of portfolio-level outcomes⁸ are as follows: every USD 1 billion of GCF resources invested in mitigation is anticipated to reduce emissions by 318 million tonnes of carbon dioxide equivalent (MtCO₂eq); and the anticipated number of beneficiaries with increased resilience per USD 1 billion of adaptation funding is 159 million. As of 31 March 2022, considering approvals of projects that lapsed during GCF-1, the IRM figures⁹ stand at 283 MtCO₂eq per USD 1 billion of mitigation funding and 167 million beneficiaries per USD 1 billion of adaptation funding (figure 6).¹⁰

Figure 6: Portfolio-level mitigation and adaptation outcomes



Abbreviations: B = billion, IRM = initial resource mobilization, tCO₂eq = tonnes of carbon dioxide equivalent.

Adaptation funding to least developed countries, small island developing States and African States

42. Since the Board's first project approvals in 2015, adaptation funding allocation to vulnerable countries comprised of LDCs, SIDS and African States has remained considerably above the floor of 50 per cent in grant equivalent terms. The IRM baseline¹¹ of 69 per cent in grant equivalent terms remains the same as of 31 March 2022. This amounts to USD 2.0 billion of grant equivalents allocated to 87 of these countries as of 31 March 2022 (figure 7).

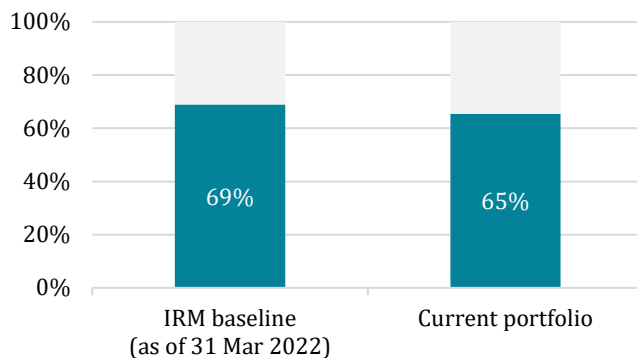
⁸ Presented in impact per USD 1 billion of funding in nominal terms.

⁹ The initial IRM reference level as per the updated Strategic Plan (i.e. as of 31 December 2019) is 460 million tonnes of carbon dioxide equivalent per USD 1 billion of mitigation funding; and 166 million beneficiaries per USD 1 billion of adaptation funding.

¹⁰ The Secretariat is reviewing estimates of greenhouse gas (GHG) emission reduction (mitigation impact) provided by AEs in the existing portfolio and will be reporting on any adjustments in due course. A similar exercise for adaptation impact is planned to be executed.

¹¹ The initial IRM reference level as per the updated Strategic Plan (i.e. as of 31 December 2019) is 67%.

Figure 7: Adaptation funding allocation to small island developing States, least developed countries and African States

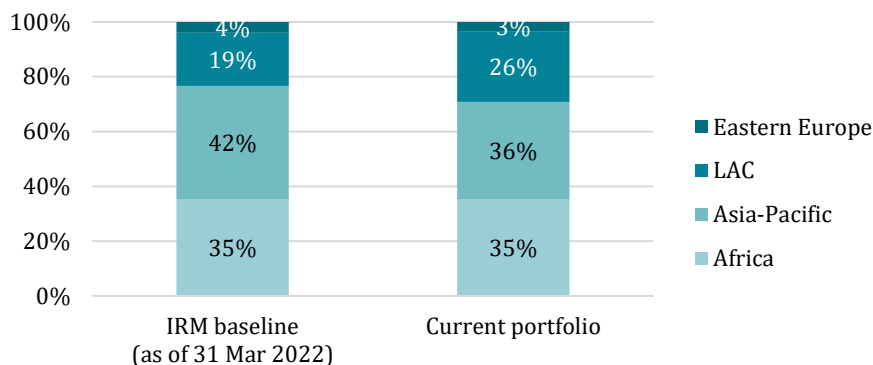


Abbreviations: IRM = initial resource mobilization

Geographical balance of funding

43. As of 31 March 2022, GCF funding has been allocated to projects in 127 countries: 36 per cent to activities in Asia-Pacific, 35 per cent to those in Africa, 26 per cent to Latin America and the Caribbean, and 3 per cent to Eastern Europe (figure 8). The IRM baseline¹² as of 31 March 2022 is 42 per cent in Asia-Pacific, 35 per cent in Africa, 19 per cent in Latin America and Caribbean, and 4 per cent in Eastern Europe.

Figure 8: Geographical balance of funding



Abbreviations: IRM = initial resource mobilization, LAC = Latin America and the Caribbean

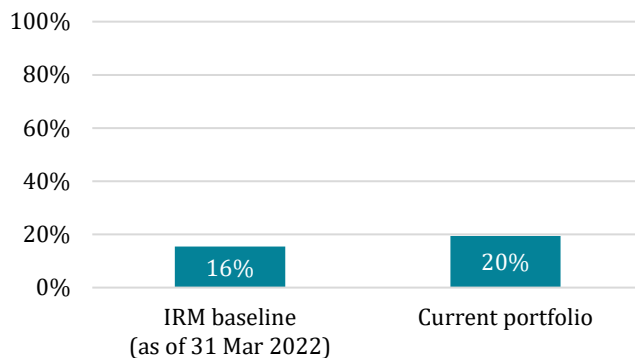
Funding channelled through direct access entities

44. GCF is on track to increase funding channelled through DAEs relative to the IRM in nominal terms: USD 73 million was approved at B.31, which accounts for 30 per cent of the total funding approved. This resulted in an increase in the DAEs' share of the portfolio from 16 per cent of the IRM portfolio¹³ to 20 per cent of the current portfolio.

¹² The initial IRM reference level as per the updated Strategic Plan (i.e. as of 31 December 2019) was 40 per cent in Asia-Pacific, 35 per cent in Africa, 21 per cent in Latin America and Caribbean, and 4 per cent in Eastern Europe.

¹³ The initial IRM reference level as per the updated Strategic Plan (i.e. as of 31 December 2019) was 14 per cent, but this revision is made taking into account the lapsed projects during the interim period.

Figure 9: Funding channelled through direct access entities

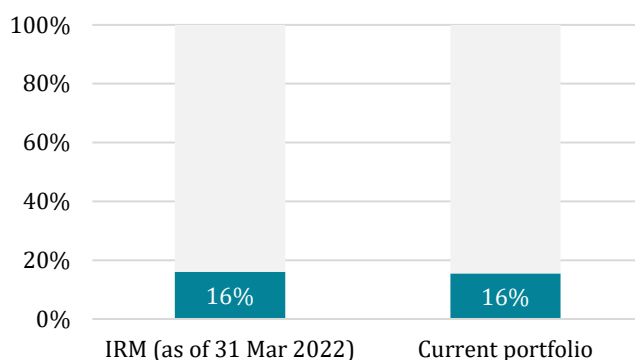


Abbreviations: IRM = initial resource mobilization

Allocation to the Private Sector Facility

45. As of 31 March 2022 16 per cent of the total portfolio, in grant equivalent terms, has been approved through the Private Sector Facility (figure 10). The IRM baseline¹⁴ was 16 per cent of the portfolio as of 31 March 2022.

Figure 10: Allocation to the Private Sector Facility



Abbreviations: IRM = initial resource mobilization

Mobilized private sector finance

46. Private sector co-financing volume at the portfolio level¹⁵ has stood at 3.3 times the GCF funding level. In line with the updated Strategic Plan to galvanize private sector finance at scale, the Secretariat is developing a methodology for measuring mobilized private finance, by exploring instrument-based methodologies used by other institutions. Following finalization of the methodology and development of associated guidelines, the Secretariat will calculate mobilized private finance and start reporting on this to the Board.

¹⁴ The initial IRM reference level as per the updated Strategic Plan (i.e. as of 31 December 2019) was 19 per cent, but this revision is made taking into account the lapsed projects during the interim period.

¹⁵ Information on co-financing volume for the private-sector projects/programme is compiled by the Secretariat through AE reporting.

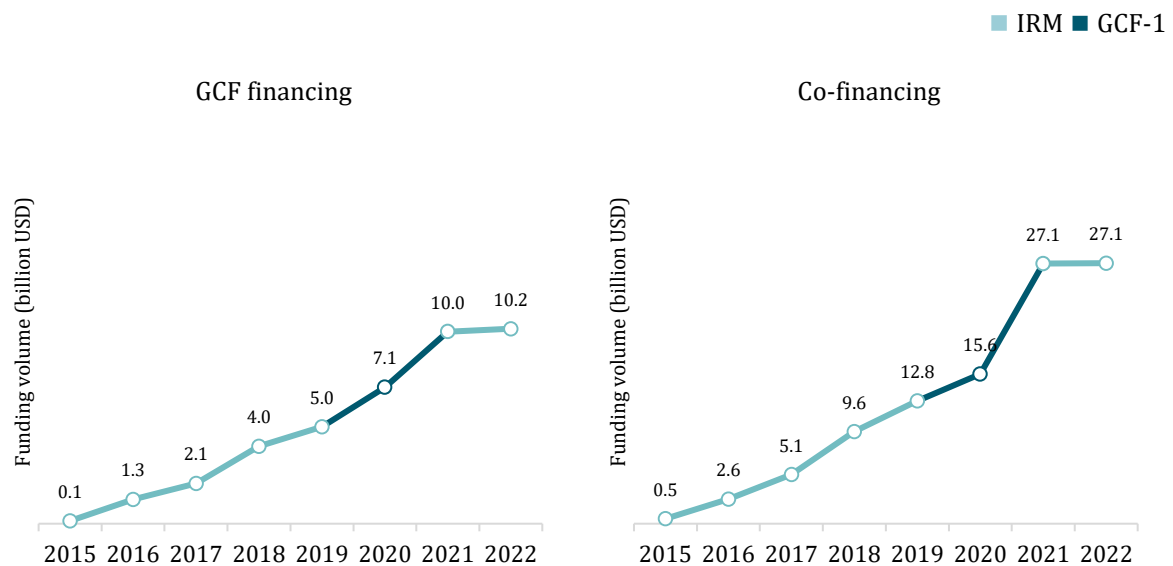
3.3.2. Status and trends of approvals from 2015 to 2022

47. As GCF continues to increase access to resources for AEs, the total number of projects to be approved over GCF-1 is expected to increase at a faster rate vis-à-vis the IRM period in which 122 projects were approved.¹⁶

48. The largest volume of GCF funding for a single year was approved in 2020, the first year of GCF-1, equivalent to USD 2.1 billion for 37 funding proposals. Taking into account the 15 projects (USD 1.2 billion) approved at B.28, 4 projects (USD 0.5 billion) approved at B.29, 13 projects (USD 1.2 billion) approved at B.30 and 2 projects (USD 188 million) approved at B.31. The total number of approved projects as of 31 March 2021 was 192¹⁷ and the total approved GCF funding amount was USD 10.2 billion¹⁸ with USD 27.1 billion of co-financing mobilized. The total funding amount including co-financing was USD 37.3 billion with a GCF to co-financing ratio of 1:3.7 (figure 11).

49. As of 31 March 2022, there were 192 projects approved by the Board, of which 156 are under implementation¹⁹ with 145 receiving disbursements. These projects are expected to abate greenhouse gases amounting to 2.0 billion tCO₂e and reach 615 million (direct and indirect) beneficiaries based on the estimations of the AEs.

Figure 11: GCF portfolio 2015–2022

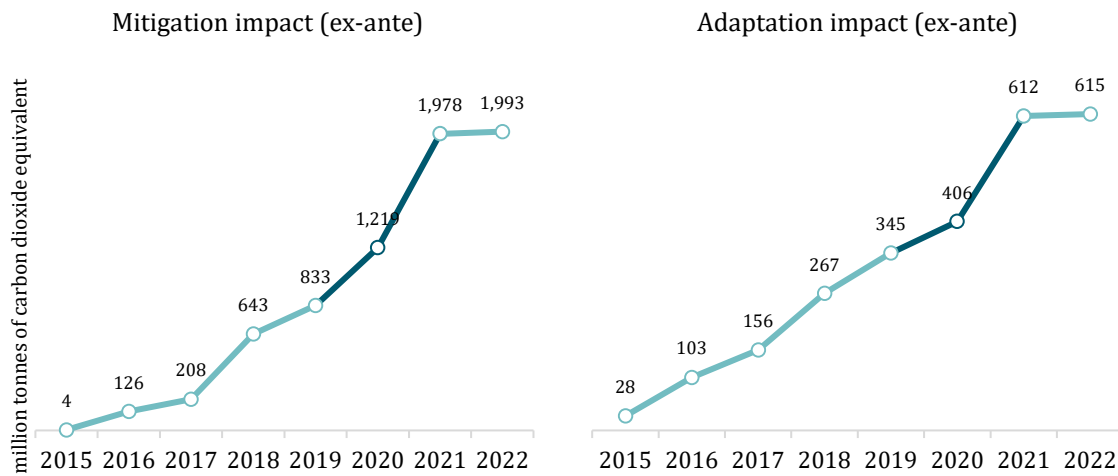


¹⁶ Since consideration of the first projects by the Board in November 2015 at B.11 the Board approved 122 projects by the end of the IRM period on 31 December 2019. No funding proposals were approved at B.12, B.17 and B.20.

¹⁷ A full list of the 192 funding proposals is available on the GCF website at <<https://www.greenclimate.fund/what-we-do/projects-programmes>>. To date, Board approval has lapsed for seven projects: FP029 by the Development Bank of Southern Africa as of 23 October 2017; FP006 and FP030 by the Inter-American Development Bank as of 26 September and 28 July 2018, respectively; FP054 by the Corporación Andina de Fomento as of 27 June 2019; FP065 by the International Bank for Reconstruction and Development and International Development Association as of 16 February 2020; FP038 and the equity component of FP026 by the European Investment Bank as of 13 June 2020; and FP104 by the Africa Finance Corporation as of 13 February 2021. FP026 is continuing through the grant component implemented by Conservation International Foundation.

¹⁸ For the funding proposals approved in euros, the exchange rate applied was EUR 0.896 = USD 1.000 in accordance with the United Nations Operational Rates of Exchange, effective as of 31 March 2022. Due to rounding, figures presented may not add up to total(s) provided.

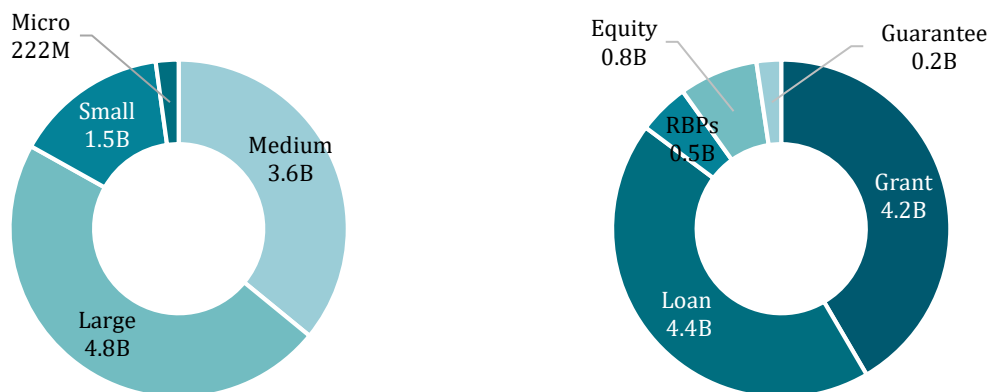
¹⁹ A project under implementation means it has an effective funded activity agreement (FAA).



50. As shown in figure 12, large-sized projects comprise the largest portion of GCF approved funding (47 per cent), followed by medium (36 per cent), small (15 per cent) and micro-sized projects (2 per cent).²⁰

51. The portfolio utilizes a wide range of financial instruments as authorized by the Governing Instrument. The majority of the portfolio is financed by loans (44 per cent) and grants (42 per cent), followed by equity (7 per cent), results-based payments (5 per cent) and guarantees (2 per cent).

Figure 12: Project size and financial instrument by GCF funding (in USD)

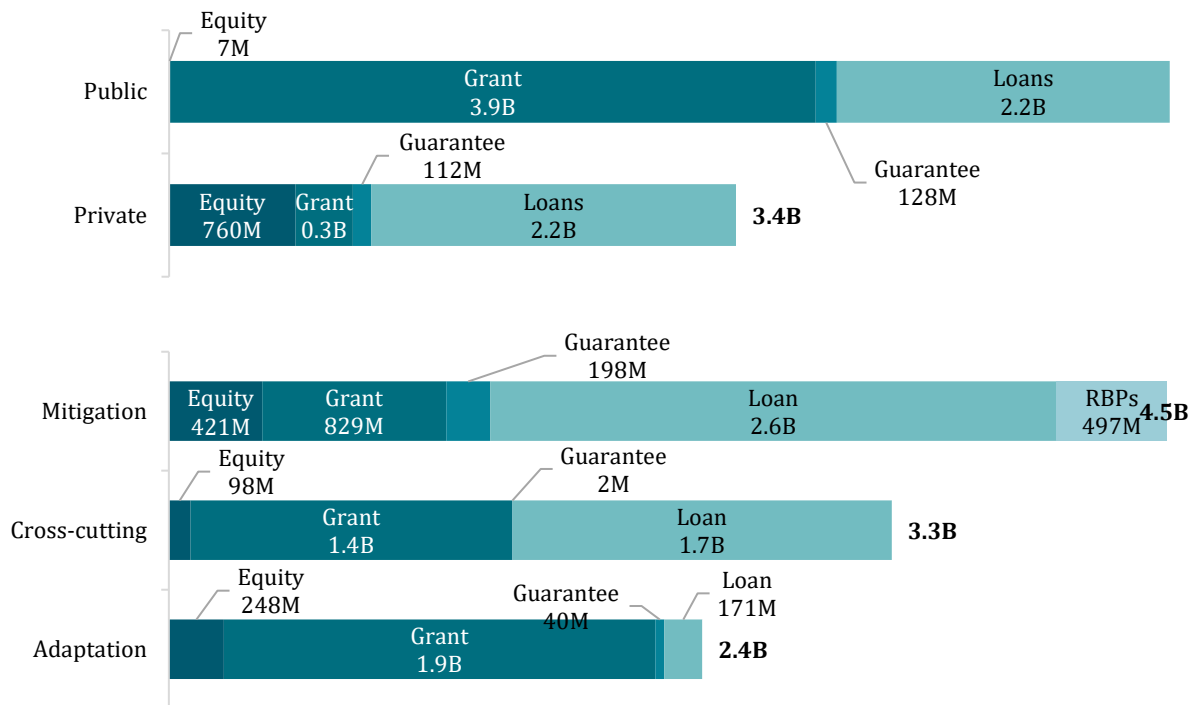


Abbreviations: B = billion, M = million, RBP = results-based payment.

52. Distribution of financial instruments by sector and theme is shown in figure 13 with mitigation theme interventions deploying the widest range of financial instruments and adaptation theme interventions being funded predominantly by grants.

²⁰ As per annex I to decision B.08/02, the project size categories are as follows: large (> USD 250 million), medium (USD 50–250 million), small (USD 10–50 million) and micro (< USD 10 million).

Figure 13: Distribution of financial instruments by sector and theme (in USD)

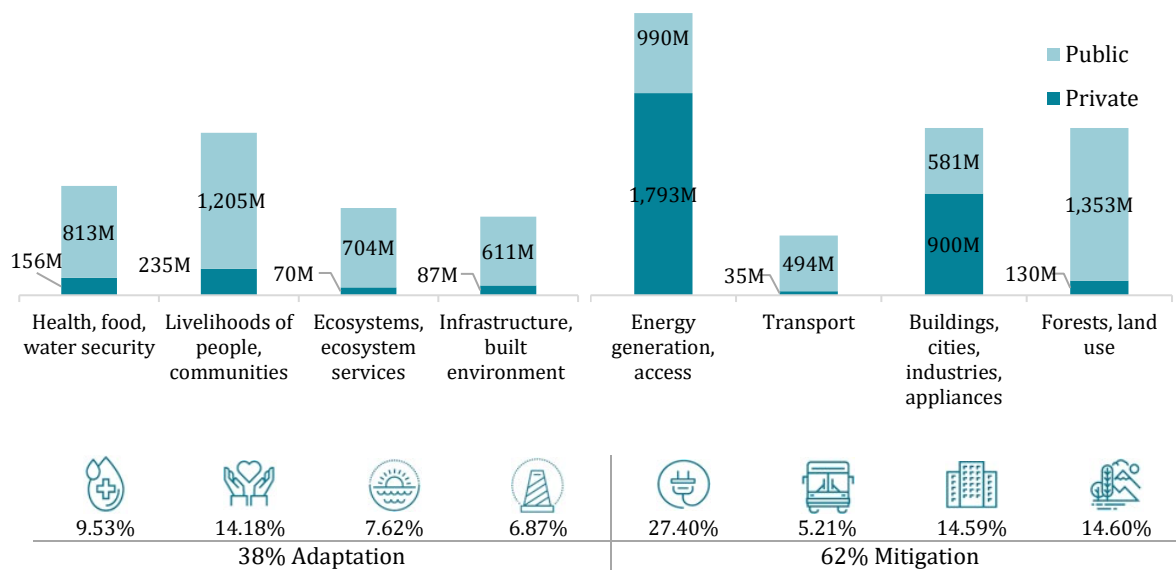


Abbreviations: B = billion, M = million, RBP = results-based payment.

53. Figure 14 shows GCF funding allocations by thematic area²¹ and by the eight result areas in nominal terms. “Energy generation and access” remains the most funded result area since 2016, with large-sized private sector projects comprising the largest segment. The funding allocation within the mitigation portfolio improved during 2021 following a significant increase in volume directed to two other mitigation result areas, namely “energy generation and access” and “buildings, cities, industries and appliances” with shares of mitigation funding accounting for 27 per cent and 15 per cent of GCF funding, respectively. Among the four adaptation result areas, “livelihoods of people and communities” has the largest share (14 per cent) of GCF funding, followed by “health, food and water security” (9 per cent).

²¹ Please refer to subsection 3.3.1 above on the progress in grant equivalent terms toward GCF-1 portfolio targets and allocation parameters as per the updated Strategy Plan.

Figure 14: GCF funding by result area and sector (in USD)



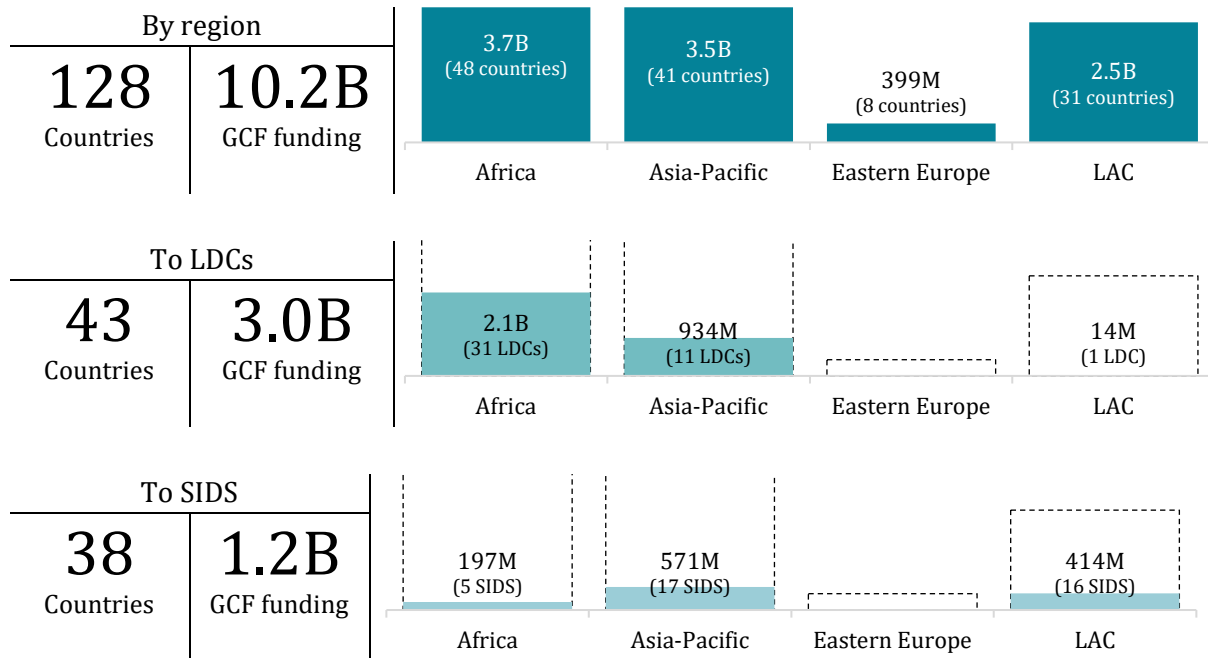
Abbreviation: M = million.

54. The GCF portfolio targeting vulnerable countries covers 43 LDCs and 38 SIDS including 8 countries that fall under both the LDC and the SIDS categories (see table 1). In terms of regional distribution to vulnerable countries, Africa and Asia-Pacific account for the largest shares of LDCs and SIDS, respectively (see figure 15).

55. Geographically, GCF’s portfolio of 192 projects is spread across 128 countries comprising 48 African States, 41 countries in the Asia-Pacific region, 31 countries in Latin America and the Caribbean, and 8 countries in Eastern Europe. In terms of regional distribution of GCF funding, the largest portion (37 per cent) is allocated to the Africa region, followed by the Asia-Pacific region (34 per cent), Latin America and the Caribbean (25 per cent) and Eastern Europe (4 per cent). Roughly 39 per cent of GCF funding has been committed to LDCs and SIDS.²² Figures 16, 17 and 18 show the distribution of the approved amount of GCF funding among LDC, SIDS, and African States.

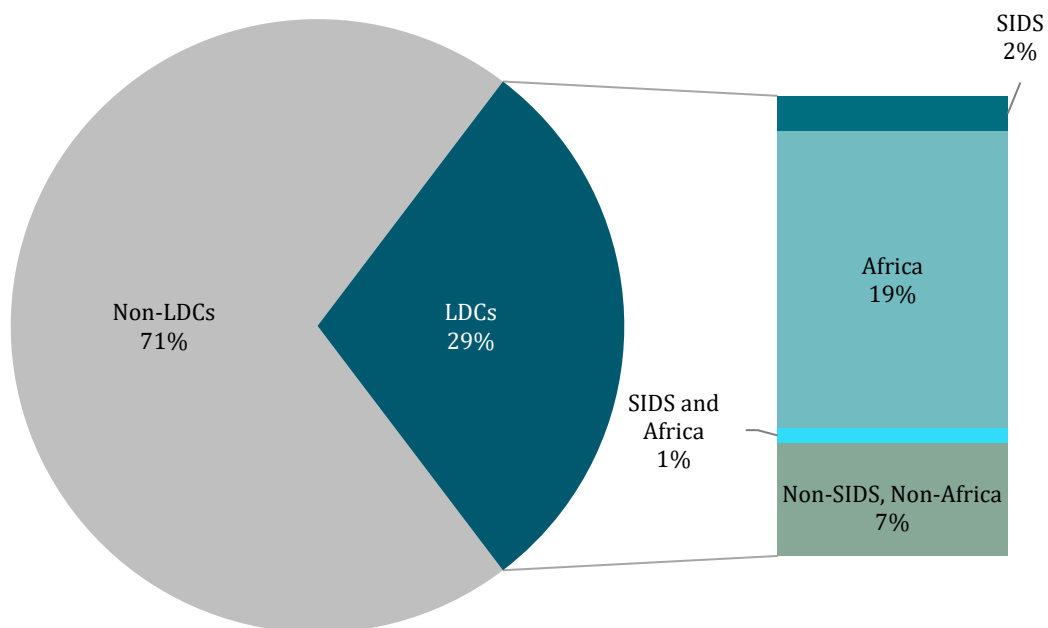
²² The breakdown of the 39 per cent committed to LDCs and SIDS is as follows: 30 per cent to LDCs and 12 per cent to SIDS; 3 per cent is double counted in this disaggregation due to 8 countries considered as both LDCs and SIDS.

Figure 15: GCF funding in nominal terms by region, least developed countries and small island developing States



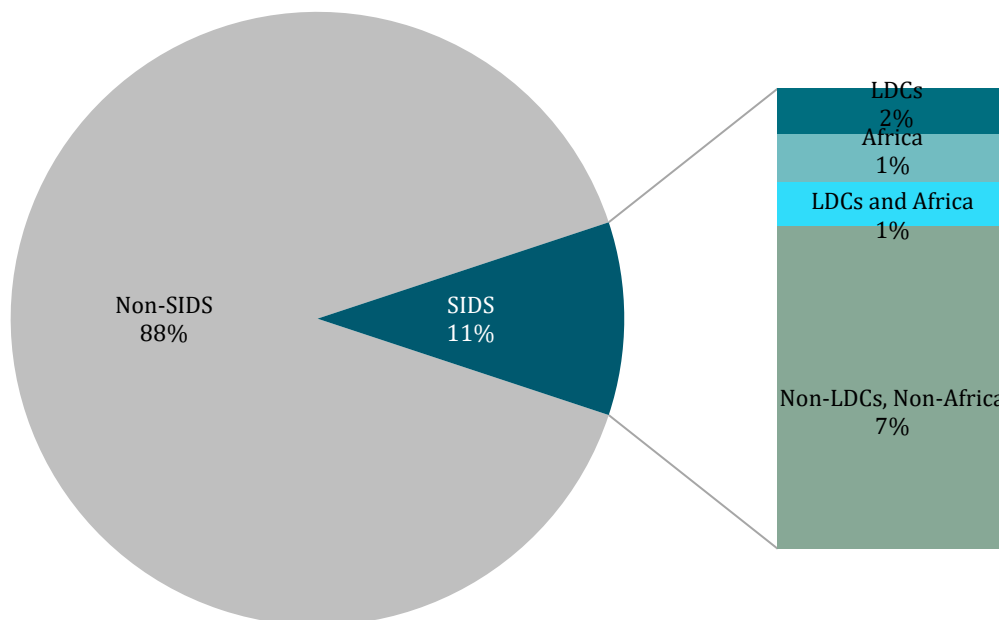
Abbreviations: B = billion, LAC = Latin America and the Caribbean, LDC = least developed country, M = million, SIDS = small island developing State.

Figure 16: Distribution of the approved amount of GCF funding among least developed countries



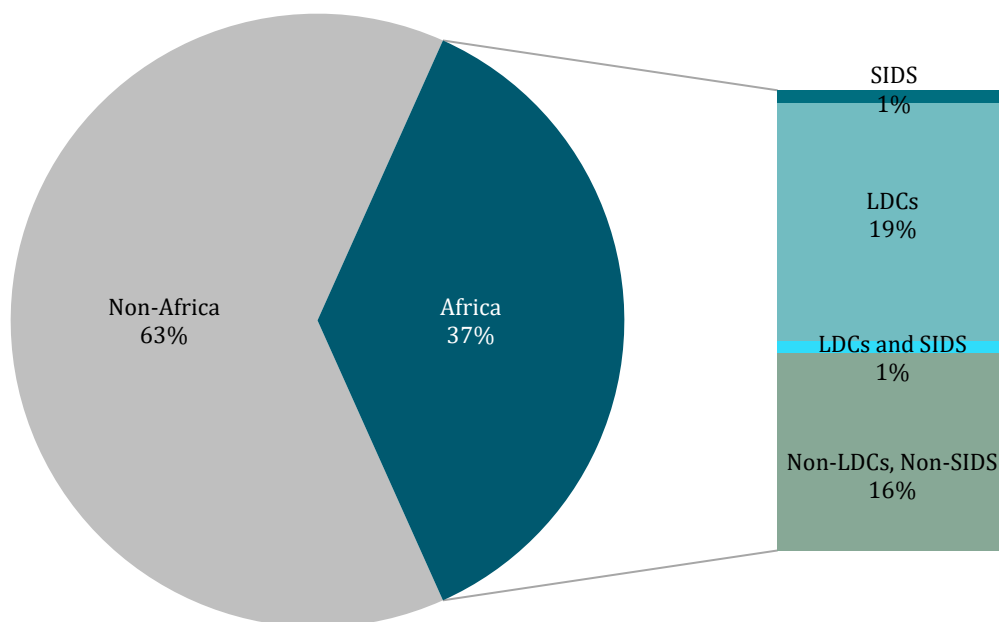
Abbreviations: LDCs = Least Developed Countries, SIDS = Small Island Developing States.

Figure 17: Distribution of the approved amount of GCF funding among small island developing States



Abbreviations: LDCs = Least Developed Countries, SIDS = Small Island Developing States.

Figure 18: Distribution of the approved amount of GCF funding among 5 African States



Abbreviations: LDCs = Least Developed Countries, SIDS = Small Island Developing States.

56. With respect to access modality, of the total 113²³ entities accredited subject to signing and making effective their accreditation master agreements (AMAs) with GCF, as of 31 March 2022, 71 are DAEs and 42 are international access entities (IAEs). Of the entities accredited in 2021, 9 out of 10 were DAEs. More than half of the 48 entities with an approved GCF project(s) are DAEs (25 DAEs, 23 IAEs) (see figure 19).

Figure 19: Number of entities with approved GCF projects by entity modality



Abbreviations: AE = accredited entity, DAE = direct access entity, IAE = international access entity.

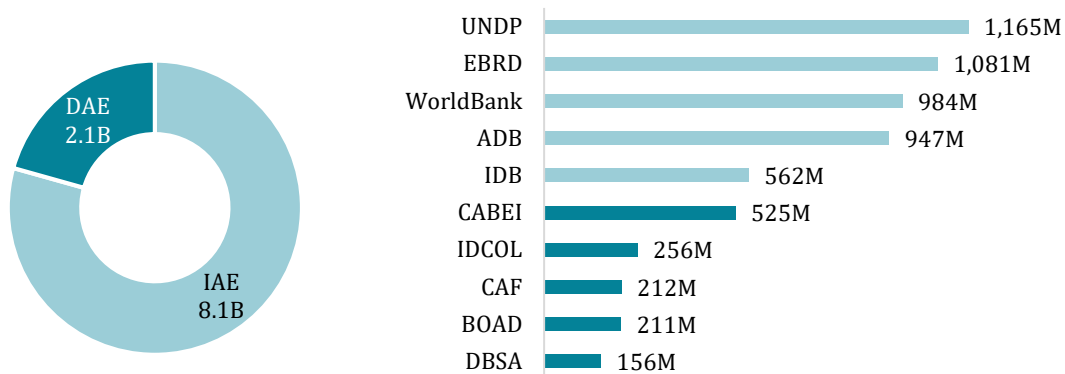
57. The share of DAEs remains relatively lower than that of IAEs because DAEs have smaller projects by funding volume compared with IAEs and most DAEs have a lower investment threshold. Over 64 per cent of DAE projects are small or micro-sized projects whereas 63 per cent of IAE projects are large or medium-sized. In terms of approved volume of funding, most of the funding is channelled through IAEs, with 21 per cent of GCF funding channelled through DAEs. Of the 21 per cent of total funding to DAEs, 9 per cent is accessed by national DAEs and 12 per cent by regional DAEs. GCF continues to further increase its focus on promoting direct access programming while building national and regional financing capabilities through DAEs.

58. In terms of funding concentration by entity, among the IAEs, the United Nations Development Programme (UNDP) accounts for the largest volume, with 14 per cent of total GCF funding to the IAEs. It is followed by the European Bank for Reconstruction and Development (EBRD) (13 per cent), World Bank (12 per cent), Asian Development Bank (ADB) 12 per cent and Inter-American Development Bank (IDB) (7 per cent) (see figure 20). This may be partly due to operating contexts and footprint of the AEs where those in relatively advanced economies and having a wider footprint are able to support more countries.

59. Among the DAEs, the Central American Bank for Economic Integration (CABEI) received the largest amount of funding with 25 per cent of total GCF funding to DAEs, followed by the Infrastructure Development Company Limited (IDCOL) (12 per cent), Corporación Andina de Fomento (Development Bank of Latin America) (10 per cent), the Banque Ouest Africaine de Développement (West African Development Bank) (10 per cent), and the Development Bank of Southern Africa (7 per cent) (see figure 20).

²³ A total of 114 entities have been approved by the Board for accreditation as of 31 March 2022. One former AE's accreditation term ended without the AE seeking reaccreditation (World Meteorological Organization (WMO), which brings the total of AEs to 113. A total of 87 AEs (including WMO) have signed effective AMAs, but 9 AEs' accreditation terms have lapsed while they are seeking re-accreditation to GCF. Entities with lapsed AMAs while seeking re-accreditation remain AEs and will be able to resume their fully operationalized engagement with GCF once re-accredited and their amended AMA accounting for re-accreditation has been signed and made effective. Therefore, as of 31 March 2022, a total of 77 AEs have effective AMAs; 7 out of the 9 AEs with lapsed AMAs are already re-accredited and their amended AMAs are under negotiation (Secretariat of the Pacific Regional Environment Programme (SPREP) and Agency for Agricultural Development of Morocco (ADA Morocco) were re-accredited at B.29 on 2 July 2021; Environmental Investment Fund (EIF) and United Nations Development Programme (UNDP) at B.30 on 7 October 2021); and Acumen Fund, Inc. (Acumen), Centre de Suivi Ecologique (CSE) and Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) were re-accredited at B.31 on 30 March 2022.

Figure 20: Total GCF funding by access modality of accredited entities, including the top five recipients (in USD)



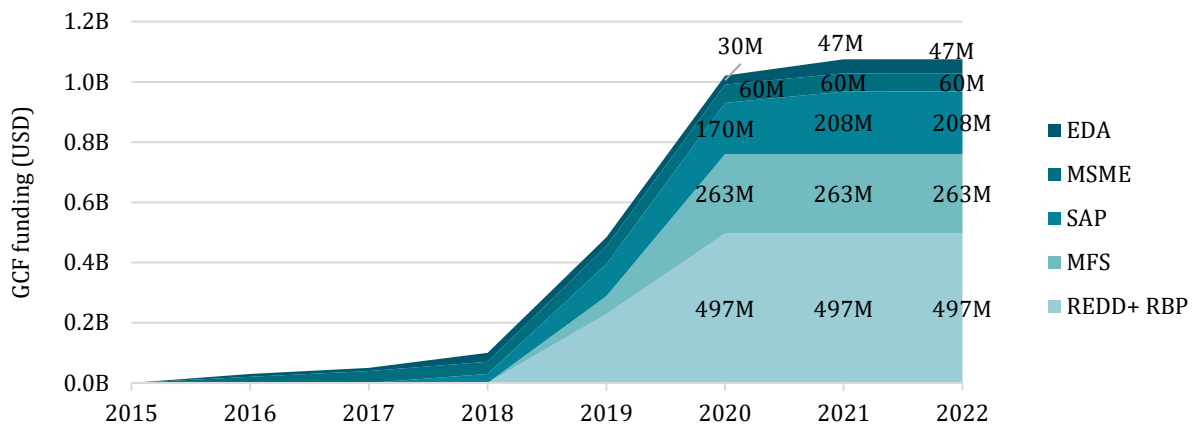
Abbreviations: ADB = Asian Development Bank, B = billion, BOAD = Banque Ouest Africaine de Développement (West African Development Bank), CABEI = Central American Bank for Economic Integration, CAF = Corporación Andina de Fomento, DAE = direct access entity, DBSA = Development Bank of Southern Africa, EBRD = European Bank for Reconstruction and Development, IAE = international access entity, IDB = Inter-American Development Bank, IDCOL = Infrastructure Development Company Limited, M= million, UNDP = United Nations Development Programme.

Note: World Bank comprises the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA).

60. GCF supports innovative climate solutions through its simplified approval process (SAP) for projects and helps fill the current climate finance gaps by requests for proposals (RFPs) and pilot programmes focused on specific themes. As of 31 March 2022, the Board had approved a total of 19 pilot requests: 8 projects under the REDD-plus Results-Based Payments Pilot Programme; 3 projects through enhancing direct access implementation modalities; 3 under the Micro, Small and Medium-sized Enterprises Pilot Programme; and 5 proposals through the Mobilizing Funds at Scale Pilot Programme. Meanwhile, the SAP has now grown to a portfolio of 23 projects worth USD 208 million²⁴ (see figure 21).

²⁴ To date, the Board has approved USD 198 million and EUR 9 million under the SAP Pilot Scheme. SAP013 (Haiti) by Nordic Environment Finance Corporation was approved under both the SAP Pilot Scheme and the Mobilizing Funds at Scale Pilot Programme (decision B.25/04, para. (g)).

Figure 21: Portfolio under requests for proposals and pilot programmes, 2015–2022 (cumulative)



Abbreviations: B = billion, EDA = enhancing direct access, M = million, MFS = mobilizing funds at scale, MSME = micro, small and medium-sized enterprises, RBP = results-based payments, SAP = simplified approval process.

3.3.3. Projects under implementation

61. As of 31 March 2022, the number of projects under implementation reached 156, accounting for 81 per cent of the total 192 approved projects. Worth USD 6.9 billion in GCF funding, these projects are being implemented across 120 countries and by 39 AEs. The average implementation rate of these projects stands at 38 per cent, meaning that an average of about 2.2 years have passed against the average implementation duration of 6.3 years.²⁵

62. An additional 17–20 projects are expected to enter into implementation during the four quarters of 2022, which would bring the number of projects under implementation to 169–172 in total by the end of 2022. Accordingly, the approved volume for projects under implementation is expected to increase from the current level of USD 6.7 billion to between USD 8.2 and USD 8.3 billion by the end of 2022 (see figure 22).

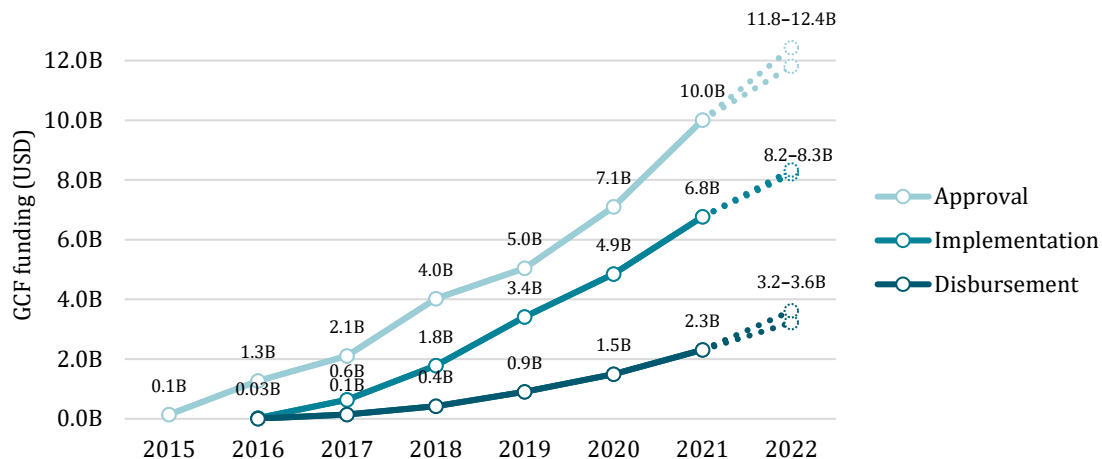
63. Of the total amount (USD 6.9 billion) of GCF funding for projects under implementation, 37 per cent has been disbursed²⁶ including full disbursement of approved funding for 19 projects (see annex II), including 8 REDD-plus projects. Of the disbursed amount, 32 per cent has been disbursed to private sector projects and 68 per cent for public sector projects. The disbursement targets, which were set out in the 2021 work programme and based on project-level assessments, took into account expected implementation challenges due to the ongoing COVID-19 pandemic. Nevertheless, close engagement with AEs and adaptive management measures taken by the Secretariat has enabled the Secretariat to already meet the higher range target. USD 2.5 billion has been disbursed as of 31 March 2022 (see figure 22) compared with the target of USD 1.9 billion to USD 2.1 billion set in the 2021 work programme. The cumulative

²⁵ The period between funded activity agreement (FAA) effective date and estimated project completion date as defined in the respective FAAs and/or funding proposals.

²⁶ That excludes AE fees of USD 115 million.

disbursement is expected to fall in the range of USD 3.2 billion to USD 3.6 billion²⁷ by the end of 2022.

Figure 22: Portfolio implementation and disbursement, 2015–2022 (cumulative)



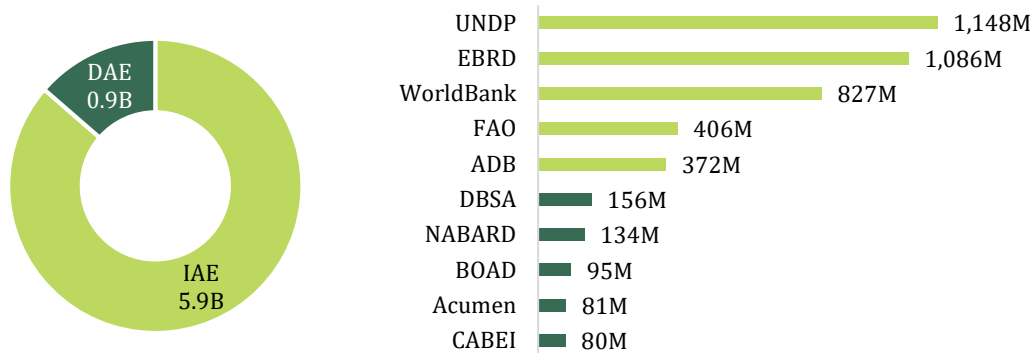
Abbreviation: B = billion.

64. As shown in figure 23, almost (86 per cent) of the funding amount for the projects under implementation is concentrated in the IAEs, which is equivalent to USD 5.9 billion; while only 14 per cent, which is equivalent to USD 0.9 billion, is being channelled through DAEs. UNDP has the largest number of projects under implementation from a single AE with 36 of its 36 approved projects (USD 1.2 billion) under implementation. The EBRD has seven approved projects, all of which are currently under implementation, accounting for the second-largest amount of GCF funding approved (USD 1.1 billion). Currently under implementation are: 10 out of 11 projects approved for World Bank (USD 827 million); 12 out of 15 projects approved for the Food and Agriculture Organization of the United Nations (FAO) (USD 406 million); and 9 out of 12 projects approved for the Asian Development Bank (USD 372 million). Among the projects channelled through DAEs, a total of 32 are currently under implementation, equivalent to USD 934 million.

65. As of 31 March 2022, 13 projects (4 private and 9 public projects) are under close monitoring by the Secretariat. Of these, seven projects have issues related to technical design, supply chain, foreign exchange, and budget allocations; while three projects have faced loss of co-financing, failure to attract strategic investors, and failure to meet critical conditions for disbursements and three projects have political and country-specific issues such as war tensions and change in government. The Secretariat has been actively engaging with the respective AEs to address the issues, often through amendment of the FAAs and project restructuring.

²⁷ The projection is as of 30 September 2021. The disbursement projection is revisited every quarter. The projection is based on a combination of (i) information provided by AEs; (ii) indicative disbursement schedules in FAAs; and (iii) the Secretariat's estimation, for example, on when FAAs will be signed for the projects and how long it will take from FAA execution to first disbursement.

Figure 23: Portfolio under implementation by access modality (left) and top five accredited entities (in USD)

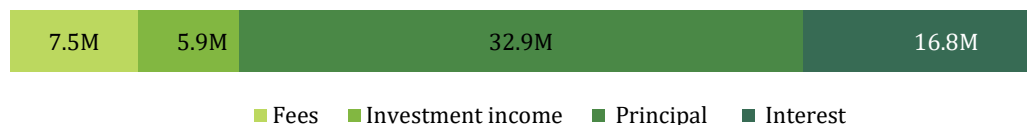


Abbreviations: Acumen = Acumen Fund, Inc., ADB = Asian Development Bank, AFD = Agence Française de Développement (French Development Agency), B = billion, BOAD = Banque Ouest Africaine de Développement (West African Development Bank), CABEI = Central American Bank for Economic Integration, DAE = direct access entity, DBSA = Development Bank of Southern Africa, EBRD = European Bank for Reconstruction and Development, FAO = Food and Agriculture Organization of the United Nations, IAE = international access entity, M = million, NABARD = National Bank for Agriculture and Rural Development, UNDP = United Nations Development Programme.

Note: World Bank comprises International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA).

66. As of 31 March 2022, investment income and funds reflowed from projects under implementation amounted to USD 63.1 million. Principal of USD 32.9 million and interest of USD 16.8 million were repaid by the AEs. AEs have also returned USD 5.9 million of investment income from the implemented activities and paid fees in the amount of USD 7.5 million, including commitment fees, service fees, front-end fees and other fees as per the respective FAAs (see figure 24).

Figure 24: Breakdown of reflowed amount from projects under implementation (in USD)



Abbreviation: M = million.

IV. Overview of fulfilment of conditions

67. Based on the three key milestones in the post-approval process (execution of FAA, effectiveness of FAA and disbursement), the post-approval stages are categorized as shown in figure 25. Stage 1 refers to projects that are pending FAA execution, meaning that the FAA is under preparation and/or negotiation with AEs. Stage 2 is used for projects that have executed an FAA, but the effectiveness is still pending. Stage 3 is for projects that have effective FAAs but have not yet received first disbursement. Stages 4 and 5 respectively refer to disbursing and projects that received full disbursements but have not yet been completed. As of 31 December 2021, no project has been completed.

4.1 Updates of approved projects, by stage and fulfilment of conditions

68. Out of the 192 approved projects, 36 projects have not started implementation (i.e. are without an effective FAA) as of 31 March 2022. GCF funding approved for the 36 projects amounts to USD 3.7 billion. The remaining 156 projects are under implementation. Of the 156 projects, 11 are pending first disbursements (stage 3); 126 are at the disbursing stage (stage 4); and 19 have received full disbursements (stage 5) (figure 25).

69. Of the 36 pre-implementation projects in the first two stages, 22 projects are pending FAA execution (stage 1) and 14 are pending FAA effectiveness (stage 2).

Figure 25: Number of projects and GCF funding by stage (in USD)

| Pre-implementation | | Under implementation | | |
|---|---|--|-------------------------------|---------------------------------------|
| 36 projects (3.7B) | | 156 projects (6.5B) | | |
| 22 projects (2.6B) | 14 projects (1.1B) | 11 projects (732M) | 126 projects (5.4B) | 19 projects (805M) |
| Stage 1. Pending FAA execution | Stage 2. Pending FAA effectiveness | Stage 3. Pending first disbursement | Stage 4. Disbursing | Stage 5. Fully disbursed |

Abbreviations: B = billion, FAA = funded activity agreement, M = million.

4.2 Reporting under the GCF Policy on Restructuring and Cancellation

70. Changes to the conditions that have been established by the Board (including those recommended by the Secretariat and the independent Technical Advisory Panel) for the approval of projects and programmes are either approved by the Board or the Executive Director in accordance with the delegation of authority stipulated in the GCF Policy on Restructuring and Cancellation (PRC).²⁸

Extensions approved by the Board

71. During the reporting period, six proposed changes in conditions were endorsed by the Secretariat's Operations Committee for Board submission and submitted for the Board's approval.

72. SAP018 titled "Enhancing Climate Information Systems for Resilient Development in Liberia (Liberia CIS)" by the African Development Bank (AfDB), was approved at B.27. Pursuant to the PRC, following a request from AfDB, the Secretariat approved the second extension of the period to submit a certificate or legal opinion confirming that AfDB has obtained all final internal approvals needed by it and has capacity to implement the project, from 10 August 2021 to 6 February 2022.

²⁸ Decision B.22/14, annex VI.

73. FP128 titled “Arbaro Fund – Sustainable Forestry Fund” by the MUFGBank Ltd (MUFGB), was approved at B.25. Pursuant to the PRC, the Secretariat, following a request from MUFGB, endorsed the addition of two countries, Colombia and Guatemala to the project.
74. FP145 titled “RELIVE – RESilient LIVELihoods of vulnerable smallholder farmers in the Mayan landscapes and the Dry Corridor of Guatemala” by FAO, was approved at B.27. Pursuant to the PRC, the Secretariat, following a request from FAO, approved the second extension of the deadline for the execution of the FAA, from 8 November 2021 to 7 May 2022.
75. FP153 titled “Mongolian Green Finance Corporation” by XacBank LLC (XacBank), was approved at B.27. Pursuant to the PRC, following a request from XacBank, the Secretariat approved the third extension of the period to submit a certificate or legal opinion confirming that XacBank has obtained all final internal approvals needed by it and has capacity to implement the project from 8 November 2021 to 120 days as of the last day of B.31.
76. FP150 titled “Promoting Private Sector Investment through Large-Scale Adoption of Energy Saving Technologies and Equipment for Textile and Readymade Garment (RMG) Sectors of Bangladesh” by IDCOL, was approved at B.27. Pursuant to the PRC, the Secretariat approved the second extension of the deadline for the execution of the FAA from 28 November 2021 to 180 days as of the last day of B.31, following a request from IDCOL.
77. SAP016 titled “Fiji Agrophotovoltaic Project in Ovalau” by Fiji Development Bank (FDB), was approved at B.26. Pursuant to the PRC, following a request from the FDB, the Secretariat approved the second extension of the deadline for the execution of the FAA from 6 December 2021 to 180 days as of the last day of B.31.
78. During the reporting period no proposed major change, restructuring and waiver requests were endorsed by the Operations Committee for Board submission and submitted for the Board’s approval.

4.3 Projects with challenges that may require restructuring or cancellation as per the GCF Policy on Restructuring and Cancellation

79. During the reporting period, nine projects encountered significant implementation challenges which may result in restructuring or cancellation.
80. FP016 titled “Strengthening the resilience of smallholder farmers in the Dry Zone to climate variability and extreme events through an integrated approach to water management” by UNDP was approved at B.13. In May 2021, UNDP submitted to the Secretariat a restructuring proposal for FP016. This proposal comprises various requests for changes, including potential changes to the total number of direct and indirect beneficiaries under the project, co-financing from the Government of Sri Lanka, a new executing entity (EE) and other variations due to higher costs versus original estimates. The proposal was presented before the Operations Committee, with the final decision confirming that its contents did not constitute a major change. Accordingly, the Secretariat will be engaging with UNDP to proceed with a formal amendment of the changes to the existing funded activity agreement.
81. Pending the outcome of the restructuring process, on 02 July 2021 UNDP requested the Secretariat to approve a partial funds disbursement to enable the project to retain the project management unit and to pay contractors. Subsequently, on 31 July 2021, UNDP informed the Secretariat that the Government through the Ministry of Irrigation (MoI) which is the executing entity, had notified UNDP that the AE was not in compliance with the national law which stipulates that grants received as development aid be channeled through/accounted to the Treasury. The Government of Sri Lanka therefore requested that UNDP channel GCF funds for

the project through the Treasury, and not directly to the EE and implementing parties. Considering this development, the Secretariat requested UNDP to provide further clarity on the issues(s) and their resolution, including providing written confirmation from the NDA of continued country ownership of the project, prior to disbursement of funds to UNDP. Project activities have slowed and are delayed because of these issues. The AE has been pursuing the matter with the relevant government authorities and following recent changes in the MoI, on 21 April 2022 UNDP informed the Secretariat that MoI has shown support for the project to proceed without changes in implementation and fund transfer modality. UNDP reports that the MoI has agreed to request the NDA, through the External Resource Department, to submit a letter to GCF confirming the continued country ownership and co-financing commitment to the project. This notwithstanding, the economic and social crises in the country constitute a high risk and UNDP is closely monitoring the situation.

82. FP018 titled “Scaling-up of glacial lake outburst flood (GLOF) risk reduction in northern Pakistan” was approved by the GCF Board in Decision B.14/07. In April 2022, the AE (UNDP) submitted a restructuring proposal pertaining to the revision of slope stabilization targets and budget reallocations. After initial assessment of the request by the Secretariat, UNDP was requested to revise and resubmit the document. The proposal is expected to be presented for consideration by the Operations Committee in Q2.

83. FP037 titled “Integrated Flood Management to Enhance Climate Resilience of the Vaisigano River Catchment in Samoa” was approved at B.15 in December 2016. During implementation several challenges have been identified, including triggering additional environmental and social standards, cost overruns and concerns related to the structural integrity and appropriateness of designs for civil works interventions. Considering the severity and complexity of the above-mentioned issues, the Secretariat contracted an external Fund Agent to provide a comprehensive review of the funded activity. Concurrently UNDP was instructed to submit a restructuring request to address changes relative to the approved funding proposal. The Secretariat will engage with UNDP based on the findings from the Fund Agent’s report and in consideration of the scope of amendments requested by the AE an amendment request will be presented for consideration by the Operation Committee and possibly also by the Board.

84. FP039 titled “GCF-EBRD Egypt Renewable Energy Financing Framework” by EBRD was approved at B.16. In March 2022, EBRD submitted to the Secretariat a restructuring proposal for FP039. The proposal comprises three main changes: extension of the closing and completion dates; changes to the financial terms and conditions of the GCF reimbursable funds, including their pricing, that would affect the existing available funds under this project, also related to one plant (Kom Ombo) whose loan agreement was subscribed last year but would be restructured; and third, a change in the current environmental and social risk category for FP039 so that a category A project can be financed. The Project Team is currently considering and analyzing the proposal with the expectation of presenting it to the Operations Committee in May 2022.

85. FP052 titled “Sustainable and Climate Resilient Connectivity for Nauru” was approved at B.18. In October 2021, the AE (Asian Development Bank) submitted a restructuring proposal that seeks to accommodate the reclassification of the “project’s involuntary resettlement category to A from C” and a modification of some components and activities. The Secretariat assessed the restructuring request and noted several shortcomings, in particular with regard to the document being unclear on issues related to the primary cause of the resettlement and its relationship with the extension of the civil works interventions approved by the AE. Furthermore, the Secretariat noted that the implementation of the funded activity is delayed and additional funding by the AE is contemplated to address budget deficits, all of which need to

be reflected in the restructuring proposal. The Secretariat is awaiting a resubmission of the restructuring proposal by the AE.

86. FP098 titled “DBSA Climate Finance Facility” was approved at B.21. In May 2021, the AE submitted an initial request for consideration of a change to the current hedging arrangements set out under the Facility. The current funded activity agreement includes a provision for potential borrowers under the Facility to directly assume foreign exchange risks and cover potential associated losses which could occur in sub-loans. DBSA engaged the Secretariat on potential alternative hedging schemes in Q3 2021 as the current hedging scheme did not seem commercially attractive. A series of alternative hedging options were reviewed, and the Secretariat conveyed to DBSA the implications of each option. The AE informed the Secretariat in Q1 2022 that due to both legal and commercial considerations none of the discussed hedging arrangements could be implemented, and that the progress of the funded activity is considerably impeded pending resolution of this matter. The Secretariat engaged with the AE to once again undertake a review of alternative hedging schemes and facilitate the exchange of good practices by other AEs..

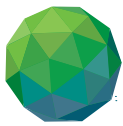
87. FP099 titled “Climate Investor One” was approved at B.21. During B.27 in November 2020, seven additional countries were approved by the Board to be included in FP099 as GCF mandate countries. In August 2021, the AE submitted a request to modify the requirements under the programme regarding “Key Persons”. The proposed changes sought to modify elements under the current FAA and its “Key Persons” provisions. The Secretariat undertook an analysis and considered this change request as not constituting a major change. An amendment of the funded activity agreement to reflect the changes in the “Key Persons” provisions is being undertaken. In the meantime, the AE submitted another request in February 2022 for the inclusion of an additional country (i.e. India) and of changes to include retroactive financing amounts. If approved by the Board, the number of GCF eligible countries in FP099 will increase from 18 countries to 19 countries and the retroactive financing amount could be included on account of the projects that were financed in India by “Climate Investor One” prior to attainment of a no-objection letter. An internal review of the request is ongoing.

88. FP115 titled “Espejo de Tarapaca” was approved at B.23. The Secretariat has received a Restructuring Proposal and is currently assessing it. Upon this, follow up actions would be taken as required.

89. FP129 titled “Afghanistan Rural Energy Market Transformation Initiative – Strengthening Resilience of Livelihoods Through Sustainable Energy Access” was approved at B.26. The project received its first disbursement in January 2021. Following the Taliban’s takeover of the country from the elected government on 15 August 2021, the AE, UNDP, has undertaken a programme review. Accordingly, UNDP submitted a “Restructuring Note” and an “Annex to the Restructuring Note” to the Secretariat on 27 November 2021. In the Note, UNDP proposes to make major changes in the project design and implementation modality. With the proposal, modality of the project will change from national implementation modality with the Ministry of Rural Rehabilitation and Development to direct implementation modality with implementation by non-governmental “responsible parties”. Additionally, changes in the scope and design of activities are also proposed. The proposed changes entail multiple risks including technical and operational risks of implementation, policy and regulatory risks, risks regarding sustainability of the project and availability of funds from the co-financiers, risks regarding environmental and social safeguards and gender issues, and finally reputational risk for GCF from many grounds including environmental and social safeguards, gender, potential of prohibited practices and involvement with non-governmental “responsible parties” who are yet to be clarified. The Note and Annex are currently under review by the Secretariat and a cancellation might be forthcoming.

Table 6: List of countries covered by the approved projects, Readiness Programme and Project Preparation Facility

| No. | Country | Region | Least developed country | Small island developing State | Approved projects | Readiness Programme | Project Preparation Facility |
|-----|----------------------------------|---------------------------------|-------------------------|-------------------------------|-------------------|---------------------|------------------------------|
| 1 | Afghanistan | Asia-Pacific | ✓ | | ✓ | ✓ | |
| 2 | Albania | Eastern Europe | | | ✓ | ✓ | |
| 3 | Algeria | Africa | | | | ✓ | |
| 4 | Angola | Africa | ✓ | | | ✓ | |
| 5 | Antigua and Barbuda | Latin America and the Caribbean | | ✓ | ✓ | ✓ | |
| 6 | Argentina | Latin America and the Caribbean | | | ✓ | ✓ | |
| 7 | Armenia | Eastern Europe | | | ✓ | ✓ | |
| 8 | Azerbaijan | Eastern Europe | | | | ✓ | |
| 9 | Bahamas | Latin America and the Caribbean | | ✓ | ✓ | ✓ | ✓ |
| 10 | Bahrain | Asia-Pacific | | ✓ | ✓ | | |
| 11 | Bangladesh | Asia-Pacific | ✓ | | ✓ | ✓ | ✓ |
| 12 | Barbados | Latin America and the Caribbean | | ✓ | ✓ | ✓ | ✓ |
| 13 | Belize | Latin America and the Caribbean | | ✓ | ✓ | ✓ | ✓ |
| 14 | Benin | Africa | ✓ | | ✓ | ✓ | |
| 15 | Bhutan | Asia-Pacific | ✓ | | ✓ | ✓ | ✓ |
| 16 | Bolivia (Plurinational State of) | Latin America and the Caribbean | | | | ✓ | |
| 17 | Bosnia and Herzegovina | Eastern Europe | | | ✓ | ✓ | |
| 18 | Botswana | Africa | | | ✓ | ✓ | ✓ |
| 19 | Brazil | Latin America and the Caribbean | | | ✓ | ✓ | ✓ |
| 20 | Burkina Faso | Africa | ✓ | | ✓ | ✓ | |
| 21 | Burundi | Africa | ✓ | | ✓ | ✓ | |
| 22 | Cabo Verde | Africa | | | | ✓ | |
| 23 | Cambodia | Asia-Pacific | ✓ | | ✓ | ✓ | ✓ |
| 24 | Cameroon | Africa | | | ✓ | ✓ | ✓ |
| 25 | Central African Republic (the) | Africa | ✓ | | ✓ | ✓ | |
| 26 | Chad | Africa | ✓ | | ✓ | ✓ | |
| 27 | Chile | Latin America and the Caribbean | | | ✓ | ✓ | |
| 28 | China | Asia-Pacific | | | ✓ | | |
| 29 | Colombia | Latin America and the Caribbean | | | ✓ | ✓ | ✓ |
| 30 | Comoros (the) | Africa | ✓ | ✓ | ✓ | ✓ | |
| 31 | Congo | Africa | | | | ✓ | |
| 32 | Cook Islands | Asia-Pacific | | ✓ | ✓ | ✓ | ✓ |
| 33 | Costa Rica | Latin America and the Caribbean | | | ✓ | ✓ | ✓ |
| 34 | Cote d'Ivoire | Africa | | | ✓ | ✓ | |



| | | | | | | | |
|----|---|---------------------------------|---|---|---|---|---|
| 35 | Cuba | Latin America and the Caribbean | | ✓ | ✓ | ✓ | |
| 36 | Democratic People's Republic of Korea (the) | Asia-Pacific | | | | ✓ | |
| 37 | Democratic Republic of the Congo (the) | Africa | ✓ | | ✓ | ✓ | |
| 38 | Djibouti | Africa | ✓ | | ✓ | ✓ | |
| 39 | Dominica | Latin America and the Caribbean | | ✓ | ✓ | ✓ | |
| 40 | Dominican Republic (the) | Latin America and the Caribbean | | ✓ | ✓ | ✓ | |
| 41 | Ecuador | Latin America and the Caribbean | | | ✓ | ✓ | ✓ |
| 42 | Egypt | Africa | | | ✓ | ✓ | |
| 43 | El Salvador | Latin America and the Caribbean | | | ✓ | ✓ | |
| 44 | Equatorial Guinea | Africa | | | | ✓ | |
| 45 | Eritrea | Africa | ✓ | | ✓ | ✓ | |
| 46 | Eswatini | Africa | | | ✓ | ✓ | |
| 47 | Ethiopia | Africa | ✓ | | ✓ | ✓ | |
| 48 | Fiji | Asia-Pacific | | ✓ | ✓ | ✓ | |
| 49 | Gabon | Africa | | | ✓ | ✓ | |
| 50 | Gambia | Africa | ✓ | | ✓ | ✓ | ✓ |
| 51 | Georgia | Eastern Europe | | | ✓ | ✓ | |
| 52 | Ghana | Africa | | | ✓ | ✓ | |
| 53 | Grenada | Latin America and the Caribbean | | ✓ | ✓ | ✓ | |
| 54 | Guatemala | Latin America and the Caribbean | | | ✓ | ✓ | |
| 55 | Guinea | Africa | ✓ | | ✓ | ✓ | |
| 56 | Guinea-Bissau | Africa | ✓ | ✓ | ✓ | ✓ | |
| 57 | Guyana | Latin America and the Caribbean | | ✓ | ✓ | ✓ | |
| 58 | Haiti | Latin America and the Caribbean | ✓ | ✓ | ✓ | ✓ | |
| 59 | Honduras | Latin America and the Caribbean | | | ✓ | ✓ | |
| 60 | India | Asia-Pacific | | | ✓ | ✓ | |
| 61 | Indonesia | Asia-Pacific | | | ✓ | ✓ | ✓ |
| 62 | Iran (Islamic Republic of) | Asia-Pacific | | | | ✓ | |
| 63 | Iraq | Asia-Pacific | | | | ✓ | |
| 64 | Jamaica | Latin America and the Caribbean | | ✓ | ✓ | ✓ | ✓ |
| 65 | Jordan | Asia-Pacific | | | ✓ | ✓ | ✓ |
| 66 | Kazakhstan | Asia-Pacific | | | ✓ | ✓ | |
| 67 | Kenya | Africa | | | ✓ | ✓ | ✓ |
| 68 | Kiribati | Asia-Pacific | ✓ | ✓ | ✓ | ✓ | |
| 69 | Kyrgyzstan | Asia-Pacific | | | ✓ | ✓ | |
| 70 | Lao People's Democratic Republic (the) | Asia-Pacific | ✓ | | ✓ | ✓ | |
| 71 | Lebanon | Asia-Pacific | | | ✓ | ✓ | |
| 72 | Lesotho | Africa | ✓ | | ✓ | ✓ | |



| | | | | | | | |
|-----|----------------------------------|---------------------------------|---|---|---|---|---|
| 73 | Liberia | Africa | ✓ | | ✓ | ✓ | ✓ |
| 74 | Libya | Africa | | | | ✓ | |
| 75 | Madagascar | Africa | ✓ | | ✓ | ✓ | |
| 76 | Malawi | Africa | ✓ | | ✓ | ✓ | |
| 77 | Malaysia | Asia-Pacific | | | ✓ | ✓ | |
| 78 | Maldives | Asia-Pacific | | ✓ | ✓ | ✓ | |
| 79 | Mali | Africa | ✓ | | ✓ | ✓ | |
| 80 | Marshall Islands (the) | Asia-Pacific | | ✓ | ✓ | ✓ | |
| 81 | Mauritania | Africa | ✓ | | ✓ | ✓ | ✓ |
| 82 | Mauritius | Africa | | ✓ | ✓ | ✓ | |
| 83 | Mexico | Latin America and the Caribbean | | | ✓ | ✓ | |
| 84 | Micronesia (Federated States of) | Asia-Pacific | | ✓ | ✓ | ✓ | ✓ |
| 85 | Moldova | Eastern Europe | | | ✓ | ✓ | |
| 86 | Mongolia | Asia-Pacific | | | ✓ | ✓ | ✓ |
| 87 | Montenegro | Eastern Europe | | | ✓ | ✓ | |
| 88 | Morocco | Africa | | | ✓ | ✓ | ✓ |
| 89 | Mozambique | Africa | ✓ | | ✓ | ✓ | |
| 90 | Myanmar | Asia-Pacific | ✓ | | ✓ | ✓ | |
| 91 | Namibia | Africa | | | ✓ | ✓ | |
| 92 | Nauru | Asia-Pacific | | ✓ | ✓ | ✓ | |
| 93 | Nepal | Asia-Pacific | ✓ | | ✓ | ✓ | |
| 94 | Nicaragua | Latin America and the Caribbean | | | ✓ | ✓ | |
| 95 | Niger (the) | Africa | ✓ | | ✓ | ✓ | ✓ |
| 96 | Nigeria | Africa | | | ✓ | ✓ | |
| 97 | Niue | Asia-Pacific | | ✓ | ✓ | ✓ | |
| 98 | North Macedonia | Eastern Europe | | | ✓ | ✓ | |
| 99 | Oman | Asia-Pacific | | | | ✓ | |
| 100 | Pakistan | Asia-Pacific | | | ✓ | ✓ | ✓ |
| 101 | Palau | Asia-Pacific | | ✓ | ✓ | ✓ | ✓ |
| 102 | Panama | Latin America and the Caribbean | | | ✓ | ✓ | |
| 103 | Papua New Guinea | Asia-Pacific | | ✓ | ✓ | ✓ | |
| 104 | Paraguay | Latin America and the Caribbean | | | ✓ | ✓ | ✓ |
| 105 | Peru | Latin America and the Caribbean | | | ✓ | ✓ | |
| 106 | Philippines (the) | Asia-Pacific | | | ✓ | ✓ | ✓ |
| 107 | Rwanda | Africa | ✓ | | ✓ | ✓ | ✓ |
| 108 | Saint Kitts and Nevis | Latin America and the Caribbean | | ✓ | ✓ | ✓ | |
| 109 | Saint Lucia | Latin America and the Caribbean | | ✓ | ✓ | ✓ | ✓ |
| 110 | Saint Vincent and the Grenadines | Latin America and the Caribbean | | ✓ | ✓ | ✓ | |
| 111 | Samoa | Asia-Pacific | | ✓ | ✓ | ✓ | |
| 112 | Sao Tome and Principe | Africa | ✓ | ✓ | ✓ | ✓ | |
| 113 | Senegal | Africa | ✓ | | ✓ | ✓ | |
| 114 | Serbia | Eastern Europe | | | ✓ | ✓ | |
| 115 | Seychelles | Africa | | ✓ | ✓ | ✓ | |



| | | | | | | | |
|-----|-------------------------------|---------------------------------|---|---|---|---|---|
| 116 | Sierra Leone | Africa | ✓ | | ✓ | ✓ | |
| 117 | Solomon Islands | Asia-Pacific | ✓ | ✓ | ✓ | ✓ | |
| 118 | Somalia | Africa | ✓ | | ✓ | ✓ | |
| 119 | South Africa | Africa | | | ✓ | ✓ | ✓ |
| 120 | South Sudan | Africa | ✓ | | | ✓ | |
| 121 | Sri Lanka | Asia-Pacific | | | ✓ | ✓ | |
| 122 | State of Palestine | Asia-Pacific | | | ✓ | ✓ | |
| 123 | Sudan | Africa | ✓ | | ✓ | ✓ | ✓ |
| 124 | Suriname | Latin America and the Caribbean | | ✓ | | ✓ | |
| 125 | Syrian Arab Republic (the) | Asia-Pacific | | | | ✓ | |
| 126 | Tajikistan | Asia-Pacific | | | ✓ | ✓ | |
| 127 | Tanzania (United Republic of) | Africa | ✓ | | ✓ | ✓ | ✓ |
| 128 | Thailand | Asia-Pacific | | | ✓ | ✓ | |
| 129 | Timor-Leste | Asia-Pacific | ✓ | ✓ | ✓ | ✓ | |
| 130 | Togo | Africa | ✓ | | ✓ | ✓ | |
| 131 | Tonga | Asia-Pacific | | ✓ | ✓ | ✓ | |
| 132 | Trinidad and Tobago | Latin America and the Caribbean | | ✓ | | ✓ | ✓ |
| 133 | Tunisia | Africa | | | ✓ | ✓ | |
| 134 | Turkmenistan | Asia-Pacific | | | | ✓ | |
| 135 | Tuvalu | Asia-Pacific | ✓ | ✓ | ✓ | ✓ | |
| 136 | Uganda | Africa | ✓ | | ✓ | ✓ | |
| 137 | Uruguay | Latin America and the Caribbean | | | ✓ | ✓ | |
| 138 | Uzbekistan | Asia-Pacific | | | ✓ | ✓ | |
| 139 | Vanuatu | Asia-Pacific | | ✓ | ✓ | ✓ | ✓ |
| 140 | Viet Nam | Asia-Pacific | | | ✓ | ✓ | |
| 141 | Yemen | Asia-Pacific | ✓ | | | ✓ | |
| 142 | Zambia | Africa | ✓ | | ✓ | ✓ | |
| 143 | Zimbabwe | Africa | | | ✓ | ✓ | |

Annex I: Current stages of the GCF portfolio by approval year

Table 1: Funded activities

| Year of Board approval | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total projects in the stage |
|-------------------------------------|------------------------------|------|------|------|------|------|------|------|------|-----------------------------|
| Post-approval stage | 1. Pending FAA execution | - | - | - | - | - | 6 | 14 | 2 | 22 |
| | 2. Pending FAA effectiveness | - | 1 | - | 2 | 3 | 3 | 5 | - | 14 |
| | 3. Pending disbursement | - | - | - | 2 | 2 | 4 | 3 | - | 11 |
| | 4. Disbursing | 5 | 21 | 14 | 35 | 21 | 20 | 10 | | 126 |
| | 5. Fully disbursed | 2 | 3 | 3 | 2 | 5 | 4 | - | | 19 |
| Total projects approved in the year | | 7 | 25 | 17 | 41 | 31 | 37 | 32 | | 192 |

Abbreviations: AMA = accreditation master agreement, FAA = funded activity agreement.

Note. For the 19 projects fully disbursed, only disbursements made for the main components are considered, and remaining AE fees are not taken into account.