



Conference of the Parties
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Item 10(c) of the provisional agenda

Matters relating to finance

**Report of the Green Climate Fund to the Conference of the Parties
and guidance to the Green Climate Fund**

**Report of the Green Climate Fund to the Conference of the
Parties**

Revised note by the secretariat

1. The Conference of the Parties (COP), by decision 3/CP.17, approved the governing instrument for the Green Climate Fund (GCF). The governing instrument provides, inter alia, that annual reports of the GCF Board will be submitted to the COP for its consideration. The arrangements between the COP and the GCF¹ provide that the annual reports of the GCF shall include information on the implementation of policies, programme priorities and eligibility criteria provided by the COP, including information on the extent to which COP guidance has been adhered to by the GCF Board. The arrangements also stipulate the specific information that the GCF is to include in its reports.²
2. In response to that provision above, the GCF submitted a report on 17 August 2016. On 26 October 2016 the GCF resubmitted the report as contained in the annex. It is reproduced here as submitted, without formal editing.
3. The governing instrument for the GCF also provides that the GCF Board will, in order to ensure accountability to the COP and pursuant to Article 11, paragraph 3, of the Convention, receive guidance from the COP, including on matters related to policies, programme priorities and eligibility criteria, and matters related thereto.

¹ As contained in the annex to decision 5/CP.19.

² Decision 5/CP.19, annex, paragraphs 11–15.



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Annex



Fifth report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change

17 August 2016

Table of Contents

Executive summary	1
I. Introduction	4
II. Actions taken by the GCF pursuant to guidance received from the Conference of Parties	4
2.1 Overview of actions taken by the GCF in response to guidance received from the Conference of Parties at its twenty-first session	6
2.2 Overview of guidance from the Conference of the Parties at its seventeenth to twentieth sessions that is still relevant for action and reporting	22
2.3 Overview of the implementation of the arrangements between the Conference of the Parties and the GCF	34
III. Other activities of the GCF	37
3.1 Term of Board membership	37
3.2 Staffing of the Secretariat	37
3.3 Participation of observers in GCF processes	37
Annex I: List of members of the Board and alternate members of the Board of the GCF as at 12 August 2016	39
Annex II: References to decisions taken by the Board between December 2015 and 12 August 2016	43
Annex III: Status of pledges and contributions made to the GCF as at July 2016	44
Annex IV: List of countries with national designated authority and focal point designations to the GCF	50
Annex V: List of entities accredited to the GCF	52
Annex VI: List of activities approved to receive GCF funding	54
Annex VII: Audited financial statements 2015/statements of financial position and of comprehensive income	59

Fifth report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change

Executive summary

1. The following points list some of the progress achieved by the GCF from 19 November 2015 to 12 August 2016 with respect to guidance received from the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC):
 - (a) The Board, in decision B.12/20, paragraph (h), welcomed the decision reached at the twenty-first session of the Conference of the Parties (COP 21) that the GCF, as an operating entity of the Financial Mechanism, will serve the Paris Agreement. In decision B.13/10, the Board further addressed matters related to the implementation of Paris Agreement and how the GCF can support the implementation of the Paris Agreement and related UNFCCC decisions;
 - (b) In decision B.12/20, the Board endorsed the initial strategic plan for the GCF,¹ which sets out the Board's strategic vision for the GCF, centring on "promoting the paradigm shift towards low-emission and climate-resilient development pathways" and "supporting the implementation of the Paris Agreement within the evolving climate finance landscape", in line with the ultimate objective of the Convention. The purpose of the Strategic Plan is to guide the Board in addressing policy gaps and in programming GCF resources at scale throughout the Initial Resource Mobilization period, which extends to 2018;
 - (c) Of the 47 countries, regions and cities that have pledged approximately USD 10.3 billion to the GCF, 40 had converted all or part of their pledges to contribution agreements or arrangements as at 12 August 2016. This brings the total of signed contribution agreements to approximately USD 9.9 billion, representing just over 96 per cent of pledged resources;
 - (d) A total of 138 countries have selected GCF national designated authorities (NDAs) and focal points. As at 12 August 2016, 50 countries had been approved for support under the Readiness and Preparatory Support Programme, which has received an initial allocation of USD 30 million. The proposals focus on helping to strengthen NDAs and to develop projects and programmes in line with national climate strategies and the GCF mandate. More than USD 14 million had been committed to support these areas of work and nearly 40 additional proposals were under development. Through decision B.13/32, the Board also decided on measures to improve and simplify the process to access readiness support, including by simplifying readiness grant agreements, and approved further readiness programme activities for direct access entities;
 - (e) Through decision B.13/09, the Board established a separate activity area under the Readiness and Preparatory Support Programme to support the formulation of national adaptation plans (NAPs) and other national adaptation planning processes, and delegated authority to the Executive Director to approve up to USD 3 million per country for these activities.
 - (f) The Board, through decision B.13/21, further defined the scope and operational modalities of the Project Preparation Facility (PPF), which received an initial allocation of USD 40 million and will assist Accredited Entities to develop project proposals.

¹ Annex I to decision B.12/20.

- Rwanda's Ministry of Natural Resources of Rwanda became the first to benefit from the PPF, with the Board approving a total of USD 1.5 million for the preparation of the Rural Green Economy and Climate Resilient Development Programme at its twelfth meeting (B.12);
- (g) At B.12, held in Songdo, Incheon, Republic of Korea, from 8 to 10 March 2016, the Board accredited 13 new entities, bringing the total number of GCF accredited entities to 33 (of which 13 are direct access entities), representing a diversity of national, regional, private, non-governmental and international organizations from all over the world that can operate at various levels of scale and undertake a range of financial instruments. The Board is to consider further applications for accreditation as part of its work plan for 2016;
- (h) At B.13, held in Songdo from 28–30 June 2016, the Board approved USD 256.6 million in contributions to nine funding proposals, with a total expected value of USD 585 million:
- USD 21.7 million for the Energy Savings Insurance for Private Energy Efficiency Investments by Small and Medium-Sized Enterprises in El Salvador proposal with the Inter-American Development Bank (IDB);
 - USD 20 million for the De-risking and Scaling-up Investment in Energy Efficient Building Retrofits in Armenia proposal with the United Nations Development Programme (UNDP);
 - USD 20.5 million for the Large-scale Ecosystem-based Adaptation in the Gambia: Developing a Climate-Resilient, Natural Resource-based Economy proposal with the United Nations Environment Programme (UNEP);
 - USD 22.8 million for the Africa Hydromet Program – Strengthening Climate Resilience in Sub-Saharan Africa: Mali Country Project proposal with the World Bank;
 - USD 29.5 million for the Improving the Resilience of Vulnerable Coastal Communities to Climate Change Related Impacts in Viet Nam proposal with UNDP;
 - USD 19 million for the Project to Support the World Bank's Climate Adaptation and Mitigation Program for the Aral Sea Basin in Tajikistan and Uzbekistan proposal;
 - USD 36 million for the Tuvalu Coastal Adaptation Project proposal with UNDP;
 - USD 38.1 million for the Strengthening the Resilience of Smallholder Farmers in the Dry Zone to Climate Variability and Extreme Events in Sri Lanka proposal with UNDP; and
 - USD 49 million for the Climate Action and Solar Energy Development Programme in the Tarapacá Region in Chile proposal with Corporación Andina de Fomento.
- (i) At B.13, the Board established annual processes for the GCF to engage with the Chairs of the UNFCCC thematic bodies and other climate finance delivery channels, in line with guidance from the COP.
- (j) In June 2016, the GCF issued a request for proposals (RfP) to further enhance direct access, valued at up to USD 200 million. In August 2016, the GCF issued a RfP to support micro-, small- and medium-sized enterprises (MSMEs), valued at up to USD 100 million. The funding proposals from those RfPs are expected to be considered by the Board at B.14 and B.15.

2. As per the 2016 Board work plan², the Board is scheduled to meet twice more in 2016 (October and December), and will further consider funding proposals at each of these meetings. An addendum to the fifth report of the GCF to the COP will be issued in advance of the twenty-second session of the Conference of the Parties (COP 22), when the Board will have held three of its four meetings for 2016, in order to report on further progress made in addressing COP guidance.

² Annex II to the document GCF/B.12/.03/Rev.01 (Decision B.12/07 paragraph (a)).

I. Introduction

1. The GCF was established at COP 16 to support projects, programmes, policies and other activities in developing country Parties. The GCF was designated as an operating entity of the Financial Mechanism of the Convention at the seventeenth session of the COP (COP 17) where its Governing Instrument was also approved. In accordance with its Governing Instrument, the GCF is to play a key role in channelling new, additional, predictable and adequate financial resources to developing countries so as to promote the paradigm shift towards low-emission and climate-resilient development pathways towards attaining the goals set by the international community to combat climate change. Pursuant to Article 9, paragraph 8, of the Paris Agreement and UNFCCC decision 1. CP/21, paragraph 58, the GCF as an operating entity of the Financial Mechanism is also to serve the Paris Agreement, which was adopted at COP 21.
2. Pursuant to Article 11, paragraph 3, of the Convention, the COP provides guidance annually to the GCF on its policies, programme priorities and eligibility criteria as an operating entity entrusted with the operation of the Financial Mechanism. The Board therefore takes appropriate action on guidance received from the COP on an ongoing basis and submits annual reports to the COP for its consideration and in order to receive further guidance.
3. This document presents the fifth annual report of the GCF to the COP. It provides an overview of milestones reached by the GCF with respect to guidance received from COP from 19 November 2015 to 12 August 2016, a period during which the Board held its twelfth and thirteenth meetings.
4. An addendum to the fifth report will be issued in advance of the COP 22 when the Board will have held three of its four meetings for 2016, so as to report on progress made in addressing COP guidance.

Table 1: Summary of Board meetings held in or planned for 2016^a

Board meeting	Date and location
Twelfth meeting of the Board	8-10 March 2016, Songdo, Incheon, Republic of Korea
Thirteenth meeting of the Board	28-30 June 2016, Songdo, Incheon, Republic of Korea
Fourteenth meeting of the Board	18-20 October 2016, Quito, Ecuador
Fifteenth meeting of the Board	13-15 December 2016, Apia, Samoa

^a Decisions B.11/13 and B.12/41. The dates for fourteenth and fifteenth meetings are subject to confirmation by the Board

II. Actions taken by the GCF pursuant to guidance received from the Conference of Parties

5. This section provides an overview of actions taken by the GCF pursuant to specific guidance received from the COP. It is organized into three subsections as follows;
 - (a) An overview of actions taken by the GCF in response to guidance received from COP 21 (see table 2);
 - (b) An overview of guidance from the COP at its seventeenth to twentieth sessions that is still relevant for action and reporting (see table 3); and
 - (c) An overview of the implementation of the arrangements between the COP and the GCF (see table 4).

2.1 Overview of actions taken by the GCF in response to guidance received from the Conference of Parties at its twenty-first session

6. UNFCCC decision 7/CP.21, paragraph 28, requests the Board to report to the COP on the steps it has taken to implement the guidance provided in that decision and in other relevant decisions of the COP. Table 2 addresses this request.

Table 2: Overview of actions taken pursuant to guidance received from the Conference of Parties at its twenty-first session

Guidance received from the Conference of the Parties	Action by the GCF
UNFCCC decision 1/CP.21 – Adoption of the Paris Agreement	
<p><u>Intended nationally determined contributions</u> “Reiterates its call to developed country Parties, the operating entities of the Financial Mechanism and any other organizations in a position to do so to provide support for the preparation and communication of the intended nationally determined contributions of Parties that may need such support” <i>UNFCCC decision 1/CP.21, paragraph 15</i></p>	<p>By decision B.13/10, the Board agreed that current GCF modalities enable support for the preparation and implementation of the nationally determined contributions (NDCs). It also urged national designated authorities (NDAs)/focal points (FPs) to work with accredited entities to consider how their national climate policies can be submitted as concrete proposals to the GCF</p> <p>Paragraph 40 of the Governing Instrument for the GCF states that “the Fund will provide resources for readiness and preparatory activities and technical assistance, such as the preparation or strengthening of low-emission development strategies or plans [...]”</p> <p>Under the GCF Readiness and Preparatory Support Programme, countries can request support in order to develop strategic frameworks, including for the preparation of country programmes. Therefore, NDC preparation can be supported within the framework set out in paragraph 40 of the Governing Instrument under the Readiness and Preparatory Support Programme and NDC implementation can be supported through submission of concrete proposals, including the Project Preparation Facility</p>
<p><u>National adaptation plans</u> “Further requests the Green Climate Fund to expedite support for the least developed countries and other developing country Parties for the formulation of national adaptation plans, consistent with decisions 1/CP.16 and 5/CP.17, and for the subsequent implementation of policies, projects and programmes identified by them” <i>UNFCCC decision 1/CP.21, paragraph 46</i></p>	<p>Pursuant to decision B.13/09, the Board decided to expedite support for developing countries for the formulation of national adaptation plans and the subsequent implementation of projects, policies and programmes identified in them. The Board also invited NDAs/FPs to collaborate with readiness delivery partners and accredited entities in order to submit requests for support to formulate their respective national adaptation plans or other adaptation planning processes</p>

Guidance received from the Conference of the Parties	Action by the GCF
	<p>The Board established a separate activity area under the Readiness and Preparatory Support Programme for the formulation of national adaptation plans and delegated authority to the Executive Director to approve up to USD 3 million per country for the formulation of national adaptation plans and other national planning processes</p>
<p><u>REDD-plus</u> “Recognizes the importance of adequate and predictable financial resources, including for results-based payments, as appropriate, for the implementation of policy approaches and positive incentives for reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks; as well as alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests; while reaffirming the importance of non-carbon benefits associated with such approaches; encouraging the coordination of support from, inter alia, public and private, bilateral and multilateral sources, such as the Green Climate Fund, and alternative sources in accordance with relevant decisions by the Conference of the Parties” <i>UNFCCC decision 1/CP.21, paragraph 54</i></p>	<p>The GCF strategic plan adopted by the Board at its twelfth meeting (B.12) outlines the operationalization of REDD-plus as one of the key actions that the Board will undertake in promoting pipeline development. Building on the REDD-plus logic model and performance measurement frameworks for ex post REDD-plus results-based payments adopted at its eighth meeting, the Board through decision B.12/07, paragraph (d), requested the Secretariat to prepare a document for consideration by the Board allowing for the operationalization of results-based payments REDD-plus activities (i.e. activities referred to in UNFCCC decision 1/CP.16, para. 70, consistent with UNFCCC decision 9/CP.19 and in accordance with decision B.08/08). The document is scheduled for consideration by the Board at its fourteenth meeting (B.14)</p> <p>The Board also requested in decision B.12/07, paragraph (e), the Secretariat to provide a document for consideration by the Board regarding alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests consistent with UNFCCC decision 16/CP.21, paragraph 6, and UNFCCC decision 7/CP.21, paragraph 25. The document is also scheduled for consideration by the Board at B.14</p> <p>In response to UNFCCC decision 7/CP.21, paragraph 24, the Board through decision B.12/07, paragraph (f), also set the Private Sector Advisory Group the task of making recommendations on the mobilization of private sector finance to progress the GCF forestry-related result areas for consideration by the Board at its fifteenth meeting (B.15)</p> <p>These decisions hence provide a platform from which the Board can further consider the matter and decide on how the GCF will support forestry-related activities vis-à-vis the Paris Agreement</p>
<p><u>Simplified and efficient application and approval procedures, including readiness support</u></p>	<p>The GCF strategic plan outlines the intention of the GCF to simplify its processes and templates, particularly in relation to microscale activities in the least</p>

Guidance received from the Conference of the Parties	Action by the GCF
<p>“Urges the institutions serving the Agreement to enhance the coordination and delivery of resources to support country-driven strategies through simplified and efficient application and approval procedures, and through continued readiness support to developing country Parties, including the least developed countries and small island developing States, as appropriate” <i>UNFCCC decision 1/CP.21, paragraph 64</i></p>	<p>developed countries (LDCs) and small island developing States (SIDS), and to revise and simplify, as appropriate, the proposal approval process and procedures^a</p> <p>The Board, through decision B.13/20, decided on the initial modalities for a simplified process for the approval of micro- and small-scale funding proposals that are assessed to fall under the low/no risk Category C/Intermediation 3, and requested the Secretariat to present final guidelines for the Board’s approval at B.14. The Board through decision B.13/32, paragraph (d), welcomed the simplification of the Readiness and Preparatory Support Programme template and encouraged Secretariat to continue to expedite the approval of readiness support</p> <p>Furthermore, the Board, through decision B.13/32, paragraph (h), decided to simplify the readiness grant agreement, in order to expedite the disbursement of readiness resources</p> <hr/> <p>Also scheduled for consideration at B.15 with the aim of enhancing accessibility and predictability is the approval process review</p> <p>Furthermore, following the Board’s mandate in decision B.11/11, paragraph (o), the process to simplify the funding proposal template is ongoing</p> <p>By decision B.13/12, paragraph (a), the Board decided to establish an operational framework for complementarity and coherence with other institutions in accordance with paragraphs 33 and 34 of the Governing Instrument</p> <p>The Board reaffirmed that the following key elements will form part of the operational framework on complementarity and coherence:</p> <ol style="list-style-type: none"> 1) Board level discussions on fund-to-fund arrangements; 2) Enhanced complementarity at the activity level; 3) Promotion of coherence at the national programming level; and 4) Complementarity at the level of delivery of climate finance through an established dialogue
<p><u>Technical examination process</u> “Encourages the operating entities of the Financial Mechanism of the</p>	<p>During the forty-fourth sessions of the subsidiary bodies, the GCF participated in the technical expert meetings (TEMs), which took place in the in-session</p>

Guidance received from the Conference of the Parties	Action by the GCF
<p>Convention to engage in the technical expert meetings and to inform participants of their contribution to facilitating progress in the implementation of policies, practices and actions identified during the technical examination process” <i>UNFCCC decision 1/CP.21, paragraph 110</i></p>	<p>workshops entitled “Shifting to more efficient public transport and increasing energy efficiency of vehicles”, “Renewable Energy Supply” and “Enhancing the implementation of adaptation action” as well as facilitating a discussion on the monitoring and evaluation of adaptation entitled “Effective policy frameworks and institutional arrangements for adaptation planning and implementation” The GCF will continue engaging in TEMs and will incorporate emerging lessons learned into its work, where appropriate</p>
UNFCCC decision 7/CP.21 – Report of the GCF to the Conference of the Parties and guidance to the GCF	
<p><u>Approvals process</u> “Welcomes the aspirations of the Board of the Green Climate Fund to approve proposals in 2016 to a value of USD 2.5 billion” <i>UNFCCC decision 7/CP.21, paragraph 5</i></p>	<p>B.12 was dedicated to addressing policy gaps and taking key decisions in order to help the GCF to reach its USD 2.5 billion aspirational funding goal for 2016 At the thirteenth meeting of the Board (B.13), the Board approved nine funding proposals totaling USD 256.6 million The Board has two remaining meetings in 2016, at which it will consider additional funding proposals As at 15 May 2016, the GCF funding proposal – application pipeline comprised 41 public and private sector funding proposals, which request GCF funding totaling USD 2.4 billion</p>
<p><u>Project Preparation Facility</u> “Also welcomes the establishment of a project preparation facility that will be targeted to small-scale activities and direct access entities, and requests the Board of the Green Climate Fund to consider lessons learned from other relevant facilities” <i>UNFCCC decision 7/CP.21, paragraph 6</i></p>	<p>At B.12, Rwanda, through its Ministry of Natural Resources, became the first country to benefit from the Project Preparation Facility (PPF), with the Board approving USD 1.5 million for the preparation of Rwanda’s Rural Green Economy and Climate Resilient Development Programme. The Board, in decision B.13/21, further developed guidelines for PPF and decided to approve an initial allocation of USD 40 million for PPF proposals. Furthermore, the Board decided that the proposals for project preparation support can be submitted by all accredited entities, and that project preparation support will be limited to USD 1.5 million per proposal</p>
<p><u>Contribution agreements</u> “Urges Parties that made pledges under the initial resource mobilization process of the Green Climate Fund but have not yet confirmed them to the Green Climate Fund through fully executed contribution arrangements or agreements to do so as a matter of high priority”</p>	<p>Pledges to the GCF during the Initial Resource Mobilization (IRM) period to date amount to USD 10.3 billion equivalent.^b The pledges emerged from 43 state governments, 3 regions and 1 city, 40 of which are developed countries and 9 of which are developing countries. As at end of July 2016, about USD 9.9 billion of these pledges had been converted into contribution agreements/arrangements,</p>

Guidance received from the Conference of the Parties	Action by the GCF
<p><i>UNFCCC decision 7/CP.21, paragraph 8</i></p>	<p>representing just over 96 per cent of the total pledged amount. The GCF continues to work expeditiously with relevant contributors on the conversion of the remaining pledged amount into signed contributions or arrangements</p> <p>Annex III below provides details on the status of pledges and contributions as at end July 2016</p>
<p><u>Financial inputs to the GCF</u> “Reiterates the invitation for financial inputs from a variety of sources, public and private, including alternative sources, throughout the initial resource mobilization process” <i>UNFCCC decision 7/CP.21, paragraph 9</i></p>	<p>As per decision B.11/05, paragraph (d), the Board will consider as part of its work plan for 2016 policies and procedures for contributions from philanthropic foundations and other non-public and alternative sources at B.15</p>
<p><u>Fund replenishment</u> “Requests the Board of the Green Climate Fund to agree on the arrangements for the first formal replenishment process of the Green Climate Fund as soon as feasible” <i>UNFCCC decision 7/CP.21, paragraph 10</i></p>	<p>The Board is scheduled to consider the process for the first formal replenishment of the GCF as part of its work plan for 2016, and is expected to address this matter at B.14</p>
<p><u>Strategic plan for the GCF</u> “Welcomes the decision of the Board of the Green Climate Fund to develop a strategic plan for the Green Climate Fund and to adopt it as soon as possible” <i>UNFCCC decision 7/CP.21, paragraph 11</i></p>	<p>In decision B.12/20, paragraph (a), the Board endorsed the initial strategic plan for the GCF (annex I to decision B.12/20), which sets out the GCF vision and operational priorities, and is to guide the Board in addressing policy gaps and programming at scale of GCF resources during the IRM period, which extends to 2018</p> <p>The strategic plan underlines that “promoting the paradigm shift towards low-emission and climate-resilient development pathways” and “supporting the implementation of the Paris Agreement within the evolving climate finance landscape” constitute the two strategic visions of the GCF. Consequently, the operational priorities and action plan as defined by the strategy primarily point to the contribution of the GCF to the ultimate objective of the Convention as per the Governing Instrument and to supporting implementation of the Paris Agreement</p> <p>The strategic plan identifies developing countries’ intended nationally determined contributions under the Paris Agreement as an important reference point for GCF programming, as are national adaptation programmes of action,</p>

Guidance received from the Conference of the Parties	Action by the GCF
	<p>national adaptation plans (NAPs), technology needs assessments and nationally appropriate mitigation actions. The strategic plan outlines the intention of the GCF to provide support in terms of finance, capacity-building and technology transfer, by taking a holistic approach and by offering countries a menu of choices both in terms of delivery channels and instruments – a task the GCF is well placed to undertake</p> <p>The Board has resolved to swiftly implement the strategic plan in order to meet the Board’s aspirational funding approvals target for 2016 and to scale up GCF investment in ambitious climate action</p> <p>The implementation of the strategic plan’s operational priorities and action plan will be guided by the Governing Instrument as approved by the Conference of the Parties (COP) in UNFCCC decision 3/CP.17</p> <p>The Board is to review the strategic plan as part of each replenishment process with a view to revising the strategic vision, if and as needed, and to updating the core operational priorities and underlying action plan for the coming replenishment cycle, taking into account evolving priorities, including guidance from the COP and relevant reports from the independent Evaluation Unit</p>
<p><u>Approvals process</u> “Requests the Board of the Green Climate Fund to ensure that the revised funding proposal template and concept note template are designed to facilitate the application process” <i>UNFCCC decision 7/CP.21, paragraph 13</i></p>	<p>Enhancing accessibility and predictability is a key strategic measure that the Board intends to promote, with the strategic plan noting that GCF resources should be made accessible at reasonable upfront cost and low risk. In this regard, the strategic plan outlines the intention of the GCF to enhance predictability through a more transparent planning of its resources; to signal more clearly the kinds of projects and programmes it is seeking to finance; to simplify its processes and templates, particularly for microscale activities in LDCs and SIDS; and to revise and simplify, as appropriate, the proposal approval process and procedures</p>
<p><u>Simplified approvals process</u> “Also requests the Board of the Green Climate Fund to adopt a simplified process for approval of proposals for certain activities, in particular for small-scale activities, as soon as possible in 2016, to reduce complexities and costs involved in project proposal development” <i>UNFCCC decision 7/CP.21, paragraph 14</i></p>	<p>Scheduled for consideration at B.15 with the aim of enhancing accessibility and predictability, is the approval process review. Furthermore, following the Board’s mandate in decision B.11/11, paragraph (o), the process to simplify the funding proposal template is ongoing</p>
<p><u>Accreditation</u> “Urges the Board of the Green Climate Fund to streamline the accreditation</p>	<p>The Board is scheduled to consider the accreditation strategy of the GCF at B.14, and to review current policy gaps in the accreditation framework, in particular,</p>

Guidance received from the Conference of the Parties	Action by the GCF
<p>modalities and to seek a balance of diversity in accredited entities” <i>UNFCCC decision 7/CP.21, paragraph 16</i></p>	<p>on types of entities to be accredited to the GCF</p> <p>As at 12 August 2016, 33 entities had been accredited to the GCF – 13 are direct access (national and regional) entities, 5 are private sector entities and 15 are international access entities</p> <p>Since the launch of the Online Accreditation System in November 2014, 180 entities in total have begun the accreditation process: 72 have gained access to the Online Accreditation System, 75 have already submitted applications for accreditation and are under stage 1 review, 15 are under review by the Accreditation Panel, and 33 have already been approved (as at 12 August 2016). These institutions represent a diversity of national, regional, private, non-governmental and international organizations worldwide that can operate at various levels of scale and can undertake a range of financial instruments</p> <p>For the latest status of the accreditation status play, please visit the GCF website^c</p>
<p><u>Readiness and preparatory support</u> “Takes note of the progress achieved to date in the implementation of the readiness and preparatory support programme of the Green Climate Fund and stresses the importance of improving the approval process and timely disbursement of readiness resources to facilitate readiness programme implementation pursuant to Green Climate Fund Board decision B.11/04” <i>UNFCCC decision 7/CP.21, paragraph 17</i> <i>Linked with UNFCCC decision 7/CP.20, paragraph 12</i></p>	<p>As at 12 August 2016, readiness support proposals for 50 countries focused on helping to strengthen national designated authorities and develop projects and programmes in line with national climate strategies as well as the GCF mandate had been approved. More than USD 14 million had been committed to support these areas of work. At this date, nearly 40 additional proposals were under development, a total of USD 2.3 million disbursements made for all activity areas. In addition to all the other ongoing efforts to enhance accessibility to GCF resources outlined in the response to UNFCCC decision 7/CP.21, paragraph 13, the Board in decision B.13/32 welcomed the simplification of the readiness templates and further agreed on measures to ensure the conclusion of readiness grant agreements to spur the disbursements</p>
<p><u>Risk management</u> “Requests the Board of the Green Climate Fund to prioritize the development of its initial risk management framework” <i>UNFCCC decision 7/CP.21, paragraph 18</i></p>	<p>The Board, through decision B.12/34, adopted a risk register for the GCF, and decided it will be updated by the Risk Management Committee as necessary, but no less frequently than once every three years (decision B.13/35)</p> <p>At B.12, the Board also tasked the Risk Management Committee with preparing an updated set of risk policies and guidelines that include internal risk rating methodologies for consideration by the Board at B.15 (decision B.12/34)</p>

Guidance received from the Conference of the Parties	Action by the GCF
	<p>At B.13, the Board adopted a set of interim risk and investment guidelines to guide GCF assessment of public and private sector funding proposals (decision B.13/36)</p>
<p><u>Transparency and stakeholder engagement:</u> “Also requests the Board of the Green Climate Fund to enhance transparency and stakeholder engagement” <i>UNFCCC decision 7/CP.21, paragraph 19</i> <i>Linked with UNFCCC decision 7/CP.20, paragraph 17</i></p>	<p>The Board, by decision B.12/35, adopted the Information disclosure policy for the GCF, which reaffirms the commitment of the GCF to transparency and accountability in all aspects of its operations, based on the following principles: (i) maximizing access to information; (ii) allowing limited exceptions; (iii) providing simple and broad access to information; and (iv) providing explanations of decisions and right to review</p> <p>Among other things, the policy lays out procedures for accessing information. These include placing information on the GCF website, where the GCF routinely discloses a wide range of information and documents. This includes, but is not limited to, decisions of the Board, Board documents and Board proceedings, policy papers, and project-related public information that provides details on all types of GCF-funded projects and programmes without duplicating what is to be published by accredited and/or executing entities on their websites</p> <p>The policy also provides for project and programme funding proposals to be disclosed on the GCF website simultaneously with their submission to the Board, with “exceptions to presumed disclosure” being outlined in the policy, where such information is protected in order to allow for the effective functioning of the GCF</p> <p>In addition to use of the GCF website, other means of dissemination will, as may be required, also be used by the GCF in order to reach its intended audiences</p> <p>The policy also provides that for project and funding proposals with an environmental or social impact, the accredited entity shall announce and disclose to the public via the Secretariat, as well as the Board and active observers, the appropriate environmental and social reports</p> <p>The policy mandates for meetings of the Board to be webcast live. The GCF is also to make available on the GCF website, video recordings of meetings of the Board, excluding any executive sessions, through registration only. The Board is set to consider the review of the webcasting service no later than March 2018</p> <p>As per the Information disclosure policy, the Board will continue its practice to</p>

Guidance received from the Conference of the Parties	Action by the GCF
	<p>solicit inputs for certain policies and strategies under discussion by the Board for at least 30 days through the GCF website. The Secretariat may be contacted in writing to request any document or piece of information that is not accessible on the GCF website</p> <p>The policy also provides for the establishment of an Information Appeals Panel in order to consider appeals under the Information disclosure policy which will consist of the Heads of the three Accountability Units of the GCF namely the independent Redress Mechanism, the independent Evaluation Unit and the independent Integrity Unit</p> <p>The Information disclosure policy is available on the GCF website^d</p> <p>Pursuant to decision B.12/14, the process to conduct a comprehensive review of the participation of observers in the activities of the Board is ongoing, with the Board set to consider the terms of reference for the review no later than B.13 and for the review to be undertaken for consideration by the Board at B.15</p> <p>The GCF has conducted a number of consultations with relevant stakeholders through calls for inputs and regular meetings/conference calls. Among others, calls for inputs were launched for the review of the initial proposal approval process, and the further development of indicators in the performance measurement frameworks and the accreditation strategy</p>
<p><u>Accountability Units</u> “Urges the Board of the Green Climate Fund to operationalize the Independent Evaluation Unit, Independent Redress Mechanism and Independent Integrity Unit as a matter of urgency and to make public the procedures Parties and affected individuals should follow when seeking redress until the Independent Redress Mechanism is operationalized” <i>UNFCCC decision 7/CP.21, paragraph 20</i></p>	<p>The Board, through decision B.BM-2016/09, and decisions B.13/17 and B.13/18 (both limited distribution), appointed the Heads of the Independent Redress Mechanism, the Independent Evaluation Unit and the Independent Integrity Unit. Those Heads of the Accountability Units, once entered into contracts and upon commencing their respective positions, will be responsible for setting up the Accountability Units. The work programmes and budgets of the three Accountability Units are going to be considered at the fifteenth meeting of the Board</p> <p>The Board through decision B.13/24 adopted the interim procedures for reconsideration of funding decisions. It also requested the Head of Independent Redress Mechanism to prepare, with the support of the Secretariat, for consideration by the Board by no later than its sixteenth meeting, the detailed guidelines and procedures for the Independent Redress Mechanism. Those</p>

Guidance received from the Conference of the Parties	Action by the GCF
	<p>guidelines should be prepared in consultation with the similar or equivalent mechanisms of accredited entities and other stakeholders</p>
<p><u>Adaptation planning</u> “Invites the Board of the Green Climate Fund to take into account in its programmatic priorities the Cancun Adaptation Framework, in particular the principles referred to in decision 1/CP.16, paragraph 12, and the activities referred to in decision 1/CP.16, paragraph 14” <i>UNFCCC decision 7/CP.21, paragraph 21</i></p>	<p>The Board by decision B.13/09 approved new modalities for the support of the formulation and implementation of adaptation planning processes. Moreover, the Board decided to expedite support for developing countries for the formulation of their national adaptation plans and subsequent implementation of projects, policies and programmes identified by them and invited NDAs/FPs to collaborate with readiness delivery partners and accredited entities in order to submit requests for support to formulate their national adaptation plans or other adaptation planning processes.</p> <p>The Board approved a separate activity area under the Readiness and Preparatory Support Programme for the formulation of national adaptation plans and delegated the authority to the Executive Director to approve up to USD 3 million per country for readiness requests submitted for formulation of national adaptation plans and other national planning processes</p> <p>Please also refer to the response to UNFCCC decision 1/CP.21, paragraph 46, above</p>
<p><u>Technology matters</u> “Also invites the Board of the Green Climate Fund, in line with paragraph 38 of the governing instrument of the Green Climate Fund, to consider ways to provide support, pursuant to the modalities of the Green Climate Fund, for facilitating access to environmentally sound technologies in developing country Parties, and for undertaking collaborative research and development for enabling developing country Parties to enhance their mitigation and adaptation action” <i>UNFCCC decision 7/CP.21, paragraph 22</i></p>	<p>The GCF strategic plan identifies the ability of the GCF to take on risks that other funds/institutions are unable or unwilling to take, including the risks associated with deploying innovative climate technologies, as key to ensuring that the GCF achieve maximum impact</p> <p>As per decision B.12/07, paragraph (b), at B.14, the Board is scheduled to consider ways through which to provide support, pursuant to the existing GCF modalities, for facilitating access to environmentally sound technologies in developing countries, and for undertaking collaborative research and development for enabling developing countries to enhance their mitigation and adaptation actions</p>
<p><u>REDD-plus</u> “Urges the Board of the Green Climate Fund to operationalize results-based payments for activities referred to in decision 1/CP.16, paragraph 70, consistent with decision 9/CP.19, and in accordance with Green Climate Fund Board decision B.08/08”</p>	<p>The GCF strategic plan outlines the operationalization of REDD-plus as one of the key actions that the Board will undertake in promoting pipeline development. Building on the REDD-plus logic model and performance measurement frameworks for ex post REDD-plus results-based payments, adopted at its eighth meeting, as per decision B.12/07, paragraph (d), at B.14,</p>

Guidance received from the Conference of the Parties	Action by the GCF
<p><i>UNFCCC decision 7/CP.21, paragraph 23</i></p>	<p>the Board is scheduled to consider the operationalization of results-based payments for REDD-plus activities (i.e. activities referred to in UNFCCC decision 1/CP.16, para. 70, consistent with UNFCCC decision 9/CP.19 and in accordance with decision B.08/08)</p>
<p><u>Forestry</u> “Encourages the Board of the Green Climate Fund to consider the mobilization of private sector finance to progress the Green Climate Fund’s forestry-related result areas” <i>UNFCCC decision 7/CP.21, paragraph 24</i></p>	<p>As per decision B.12/07, paragraph (f), the Board is to consider the mobilization of private sector finance in order to progress the GCF forestry-related result areas at B.15</p>
<p><u>Alternate policy approaches</u> “Requests the Board of the Green Climate Fund to take into account decision 16/CP.21, in particular paragraph 6, referring to support for alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, as appropriate, in its funding decisions” <i>UNFCCC decision 7/CP.21, paragraph 25</i></p>	<p>Pursuant to decision B.12/07, paragraph (e), at B.15, the Board is to consider the matter regarding alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, consistent with UNFCCC decision 16/CP.21, paragraph 6, and UNFCCC decision 7/CP.21, paragraph 25</p>
<p><u>Complementarity and coherence</u> “Encourages the Board of the Green Climate Fund to improve complementarity and coherence with other institutions, per paragraphs 33 and 34 of the governing instrument of the Green Climate Fund, including by engaging with relevant bodies of the Convention, such as the Standing Committee on Finance” <i>UNFCCC decision 7/CP.21, paragraph 26</i> <i>Linked with UNFCCC decision 7/CP.20, paragraph 16</i></p>	<p>By decision B.13/12, the Board decided to prepare an operational framework on complementarity and coherence with other institutions in accordance with paragraphs 33 and 34 of the Governing Instrument. The operational framework is to be considered at B.15 and will be the basis for the cooperation of the Board with the Standing Committee on Finance</p> <p>The Board also requested the Co-Chairs to initiate, with the support of the Secretariat, an annual dialogue with climate finance delivery partners and other funds at the activity level</p> <p>The Board reaffirmed that the following key elements will form part of the operational framework on complementarity and coherence:</p> <ol style="list-style-type: none"> 1) Board level discussions on fund-to-fund arrangements; 2) Enhanced complementarity at the activity level; 3) Promotion of coherence at the national programming level; and 4) Complementarity at the level of delivery of climate finance through an established dialogue 5)

Guidance received from the Conference of the Parties	Action by the GCF
<p><u>Relationship with the thematic bodies</u> “Urges the Board of the Green Climate Fund to develop appropriate mechanisms to support the fund through appropriate expert and technical advice, including from thematic bodies, as appropriate” <i>UNFCCC decision 7/CP.21, paragraph 27</i></p>	<p>By decision B.13/11, the Board took measures to strengthen the relationship with UNFCCC thematic bodies through holding an annual meeting between the Co-Chairs and the Chairs of the thematic bodies The meeting will be chaired by the Co-Chairs, organized by the Secretariat, and will include the Chairs of the various thematic bodies, the Chairs of the subsidiary bodies, and the President of the COP, and will be held in the margins of the COP. The outcome of the meeting will be presented in a written report to the COP, which will be included in the report of the GCF to the COP Furthermore, the Board requested the Secretariat to strengthen its current approach to engaging with UNFCCC thematic bodies, including through: (i) exchanging information, (ii) participating in relevant meetings, and (iii) identifying components of programmes and work plans of thematic bodies and, where appropriate, updating the work programme of the Secretariat to improve coordination</p>
<p><u>Guidance</u> “Requests the Board of the Green Climate Fund to report to the Conference of Parties on the steps it has taken to implement the guidance provided in this decision and other relevant decisions of the Conference of the Parties” <i>UNFCCC decision 7/CP.21, paragraph 28</i></p>	<p>The report contained herein addresses this request</p>
Decision 13/CP.21 – Linkages between the Technology Mechanism and the Financial Mechanism	
<p><u>Linkages</u> “Invites the Board of the Green Climate Fund to provide its recommendations, in accordance with decision 1/CP.18, paragraph 62, for consideration by the Conference of the Parties at its twenty-second session (November 2016)” <i>UNFCCC decision 13/CP.21, paragraph 4</i></p>	<p>As per decision B.12/07, paragraph (b), at B.14, the Board is scheduled to consider ways through which to provide support, pursuant to the existing GCF modalities, for facilitating access to environmentally sound technologies in developing countries, and for undertaking collaborative research and development for enabling developing countries to enhance their mitigation and adaptation actions The Board, as per decision B.04/15, decided that the GCF should commence its engagement with UNFCCC thematic bodies, with a view to reassessing this engagement as the GCF and UNFCCC thematic bodies evolve and requested the Interim Secretariat to engage informally with other external bodies by exchanging information, as required Through decision B.13/11, the Board took measures to strengthen the GCF relationship with UNFCCC thematic bodies through holding an annual meeting</p>

Guidance received from the Conference of the Parties	Action by the GCF
	<p>between the Co-Chairs and the Chairs of the thematic bodies</p> <p>The meeting will be chaired by the Co-Chairs, organized by the Secretariat, and will include the Chairs of the various thematic bodies, the Chairs of the subsidiary bodies, and the President of the COP, and will be held in the margins of the COP. The outcome of the meeting will be presented in a written report to the COP, which will be included in the report of the GCF to the COP</p> <p>Furthermore, the Board requested the Secretariat to strengthen its current approach to engaging with UNFCCC thematic bodies, including through: (i) exchanging information, (ii) participating in relevant meetings, and (iii) identifying components of programmes and work plans of thematic bodies and where appropriate, updating the work programme of the Secretariat to improve coordination</p>
<p><u>Linkages</u> “Requests the Technology Executive Committee, the Climate Technology Centre and Network and the operating entities of the Financial Mechanism to continue to consult on and further elaborate, including through an in-session workshop at the forty-fourth sessions of the subsidiary bodies (May 2016), the linkages between the Technology Mechanism and the Financial Mechanism” <i>UNFCCC decision 13/CP.21, paragraph 8</i></p>	<p>The GCF actively engaged in the in-session workshop at the forty-fourth sessions of the subsidiary bodies, both at the Board and Secretariat levels. The GCF has also engaged with the Technology Executive Committee (TEC) and the Advisory Board of the Climate Technology Centre and Network (CTCN) during 2016, including by participating in their meetings</p> <p>The Board, through decision B.13/11, paragraph (g), invited the Chairs of the TEC and Advisory Board of the CTCN to participate in B.14 by presenting to the Board on technology matters</p>
<p><u>Technology matters</u> “Invites the Board of the Green Climate Fund, in line with paragraph 38 of the governing instrument of the Green Climate Fund, to consider ways to provide support, pursuant to the modalities of the Green Climate Fund, for facilitating access to environmentally sound technologies in developing country Parties, and for undertaking collaborative research and development for enabling developing country Parties to enhance their mitigation and adaptation action” <i>UNFCCC decision 13/CP.21, paragraph 10</i></p>	<p>As per decision B.12/07, paragraph (b), at B.14, the Board is scheduled to consider ways through which to provide support pursuant to the existing GCF modalities, for facilitating access to environmentally sound technologies in developing countries, and for undertaking collaborative research and development for enabling developing countries to enhance their mitigation and adaptation actions</p>
Decision 4/CP.21 – National adaptation plans	
<p><u>National adaptation plans</u> “Invites the Green Climate Fund, as an operating entity of the Financial</p>	<p>Pursuant to decision B.13/09, the Board decided to expedite support for developing countries for the formulation of their national adaptation plans and</p>

Guidance received from the Conference of the Parties	Action by the GCF
<p>Mechanism, in accordance with paragraphs 36 and 40 of its governing instrument, to consider how to improve access to financial support for the process to formulate and implement national adaptation plans” <i>UNFCCC decision 4/CP.21, paragraph 6</i></p>	<p>the subsequent implementation of projects, policies and programmes identified in them. In addition, the Board invited NDAs/FPs to collaborate with readiness delivery partners and accredited entities in order to submit requests for support to formulate their respective national adaptation plans and/or other adaptation planning processes</p> <p>The Board decided, through the same decision, that support for NAPs or other adaptation planning processes should be established as a separate activity area under the Readiness and Preparatory Support Programme for the formulation of NAPs and delegated the authority to the Executive Director to approve up to USD 3 million for readiness requests submitted for the formulation of NAPs and other national planning processes</p> <p>Please refer to the response to UNFCCC decision 1/CP.21, paragraph 46, above</p>

^a Part C of the action plan of the initial strategic plan of the GCF.

^b Using the historical reference exchange rates established for the First GCF High-level Pledging Conference in November 2014.

^c <http://www.greenclimate.fund/documents/20182/114261/20160430_-_GCF_Accreditation_State_of_Play.pdf/0633426a-4d41-4648-a09b-e0cfe2bb552e>.

^d See annex XXIX to document GCF/B.12/32.

2.2 Overview of guidance from the Conference of the Parties at its seventeenth to twentieth sessions that is still relevant for action and reporting

7. The guidance provided to the GCF at COP 17–20 that is still relevant has been consolidated in table 3 below. Similar guidance from these four sessions has been grouped together in order to aid reading and understanding of the corresponding action by the GCF.

Table 3: Overview of actions taken pursuant to guidance received from the seventeenth to twentieth sessions of the Conference of the Parties

Guidance received from the Conference of the Parties	Action by the GCF
UNFCCC decision 7/CP.20 – Report of the GCF to the Conference of the Parties and guidance to the GCF	
<p><u>Capacity-building and technology development and transfer</u> “Requests the Board of the Green Climate Fund [...] to ensure adequate resources for capacity-building and technology development and transfer, consistent with paragraph 38 of the Governing Instrument” <i>UNFCCC decision 7/CP.20, paragraph 8</i></p>	<p>Capacity-building The Readiness and Preparatory Support programme is a strategic priority for the GCF and was established to strengthen and build enabling environments to allow developing countries to access GCF resources. It provides support to national designated authorities (NDAs)/focal points (FPs) to prepare their strategic frameworks, including country programmes, and to develop GCF</p>

	<p>programme pipelines on mitigation, adaptation/cross-cutting in a coherent approach.</p> <p>Through decision B.08/11, the Board decided to use readiness resources to develop country strategic frameworks for engagement with the GCF, building on existing strategies and plans, including nationally appropriate mitigation actions, national adaptation plans of action, national adaptation plans (NAPs) and intended nationally determined contributions, support for accreditation for direct access entities, formulation of NAPs (decision B.13/09)</p> <p>Beyond readiness, the GCF can consider further support for capacity-building under its current thematic windows where such activities are identified by countries as their priority areas in programme implementation</p> <p><u>Technology development and transfer</u></p> <p>As per decision B.12/07, the Board is set to consider at its fourteenth meeting (B.14) ways in which to provide support pursuant to the existing GCF modalities, for facilitating access to environmentally sound technologies in developing countries, and for undertaking collaborative research and development for enabling developing countries to enhance their mitigation and adaptation action</p>
<p><u>Private sector</u></p> <p>“Also requests the Board of the Green Climate Fund to accelerate the operationalization of the private sector facility by aiming to ensure that private sector entities and public entities with relevant experience in working with the private sector are accredited in 2015, expediting action to engage local private sector actors in developing country Parties, including small- and medium-sized enterprises in the least developed countries, small island developing States and African States, emphasizing a country-driven approach, expediting action to mobilize resources at scale, and developing a strategic approach to engaging with the private sector”</p> <p><i>UNFCCC decision 7/CP.20, paragraph 9</i></p>	<p>Of the 33 entities accredited to the GCF as at 12 August 2016, 5 are private sector entities</p> <p>By decision B.10/11, the Board established two pilot programmes on (i) funding micro-, small- and medium-sized enterprise (MSME) activities that are climate sensitive (allocated up to USD 200 million); and (ii) mobilizing funding at scale (allocated up to USD 500 million). The call for a request for proposals for the MSME pilot programme of USD 100 million is currently published on the GCF website</p> <p>One of the operational priorities of the GCF strategic plan is maximizing the impact of the GCF by supporting projects and programmes that catalyse climate finance at the international and national levels, including by maximizing private sector engagement. The GCF strategic plan lays out an action plan for maximizing engagement with the private sector, which outlines the intention of the GCF to analyse:</p> <ul style="list-style-type: none"> • Barriers to crowding-in and maximizing the engagement of the private sector, and subsequently to develop a private sector outreach plan; and

	<ul style="list-style-type: none"> Recommendations made by the Private Sector Advisory Group to the Board pertaining inter alia to the need to enhance capacity within the Secretariat to assess the accreditation procedures for private sector entities, to enhance private sector involvement within the Readiness and Preparatory Support Programme and to spell out the ability of the GCF to reduce currency risk
<p><u>Transparency</u> “Requests the Board of the Green Climate Fund to consider ways by which to further increase the transparency of its proceedings” <i>UNFCCC decision 7/CP.20, paragraph 11</i></p>	<p>Through decision B.12/35, the Board adopted the Information disclosure policy of the GCF. Among other things, the policy requires meetings of the Board to be webcast live until the end of 2017. The Board is set to consider a review of the webcasting service no later than March 2018</p> <p>As per the Information disclosure policy, the Board will continue its practice to solicit inputs for certain policies and strategies under discussion by the Board for at least 30 days through the GCF website. The Secretariat may be contacted in writing to request any document or item of information that is not accessible on the GCF website</p> <p>The policy also provides for the establishment of an Information Appeals Panel to consider appeals under the Information disclosure policy to consist of the Heads of the three Accountability Units of the GCF namely the independent Redress Mechanism, the independent Evaluation Unit and the independent Integrity Unit</p>
<p><u>Accreditation</u> “Encourages the timely implementation of the accreditation framework and requests the Board of the Green Climate Fund, in its implementation, to pay adequate attention to the priorities and needs of developing country Parties, including the least developed countries, small island developing States and African States, emphasizing the need to provide readiness support to those national and regional entities eligible for fast tracking that request it” <i>UNFCCC decision 7/CP.20, paragraph 13</i></p>	<p>The Board is scheduled to consider the accreditation strategy of the GCF at B.14, and to review current policy gaps in the accreditation framework, in particular, on the types of entities to be accredited to the GCF</p> <p>As at 12 August 2016, 33 entities had been accredited to the GCF and of these, 13 are direct access (national and regional) entities, 5 are private sector entities and 15 are international access entities</p>
<p><u>Coherence and coordination</u> “Requests the Board of the Green Climate Fund, when deciding its policies and programme priorities, to consider the information and lessons learned through engagement with other relevant bodies under the Convention, and other relevant</p>	<p>The GCF has been continuously conducting consultations and engagement with existing funds such as the Adaptation Fund, the Global Environment Facility (GEF) and the Multilateral Fund in order to learn from their country-driven approaches when developing and implementing all key operational areas of the</p>

<p>international institutions” <i>UNFCCC decision 7/CP.20, paragraph 15</i></p>	<p>GCF, covering accreditation, readiness and project development. The Secretariat has been participating in various meetings, events and workshops held by existing funds so as to actively learn from existing lessons learned In addition, see the response to UNFCCC decision 7/CP.21 paragraph 27, in table 3 above</p>
<p><u>REDD-plus</u> “Requests the Board of the Green Climate Fund: [...] to consider decisions relevant to REDD-plus, including decisions 1/CP.16, 2/CP.17, 12/CP.17 and decisions 9/CP.19, 10/CP.19, 11/CP.19, 12/CP.19, 13/CP.19, 14/CP.19 and 15/CP.19” <i>UNFCCC decision 7/CP.20, paragraph 18</i> <i>Linked with UNFCCC decision 9/CP.19, paragraph 8</i></p>	<p>Building on the REDD-plus logic model and performance measurement framework for ex-post REDD-plus results-based payments adopted at its eighth meeting, which took this guidance into consideration, the Board, pursuant to decision B.12/07, paragraph (d), is scheduled to consider at B.14 a document allowing for the operationalization of activities referred to in UNFCCC decision 1/CP.16, paragraph 70, consistent with UNFCCC decision 9/CP.19 and in accordance with decision B.08/08 (i.e. of results-based payments REDD-plus activities). This guidance from the Conference of the Parties (COP) therefore continues to be taken into consideration</p>
<p><u>GCF Secretariat</u> “Urges the Green Climate Fund to ensure that staff selection is open, transparent and based on merit without discrimination, taking into account geographical and gender balance, in accordance with the administrative policies of the Green Climate Fund” <i>UNFCCC decision 7/CP.20, paragraph 19</i></p>	<p>Decision B.12/27 approved an increase to the number of staff to 100 by the end of 2016 and a further increase to 140 by the end of 2017, increased from the previous 56 permanent staff positions The GCF will in accordance with annex I to decision B.06/03 continue to ensure that staff selection is open, transparent and based on merit without discrimination, taking into account geographical and gender balance</p>
<p><u>Privileges and immunities</u> “Urges developing country Parties to enter into bilateral agreements with the Green Climate Fund based on the template to be approved by the Board of the Green Climate Fund, in order to provide privileges and immunities for the Fund, in accordance with Green Climate Fund Board decision B.08/24, paragraph (b)” <i>UNFCCC decision 7/CP.20, paragraph 21</i></p>	<p>The Secretariat is actively pursuing negotiation both with developed and developing countries and has sent draft agreements on the privileges and immunities of the GCF to well over 100 countries. Four agreements have been signed as at 12 August 2016 and good progress is being made in the negotiations with a number of other countries</p>
<p>“Requests the Board of the Green Climate Fund to report biennially to the Conference of the Parties on the status of existing privileges and immunities with regard to its operational activities, starting at the twenty-first session of the Conference of the Parties” <i>UNFCCC decision 7/CP.20, paragraph 22</i></p>	<p>In accordance with this guidance, the GCF delivered its first biennial report on privileges and immunities in the addendum to the fourth report of the GCF to the COP (see annex I to UNFCCC document FCCC/CP/2015/3/Add.1) The GCF will, in line with this guidance, provide a second update on GCF privileges and immunities to the COP at its twenty-third session</p>
<p>“Also requests the Board of the Green Climate Fund to make available its annual report in a timely manner and no later than 12 weeks prior to a session of the</p>	<p>The report contained herein complies with this request</p>

<p>Conference of the Parties in accordance with decision 6/CP.18, paragraph 15, for due consideration by Parties” <i>UNFCCC decision 7/CP.20, paragraph 23</i> <i>Linked with UNFCCC decision 6/CP.18, paragraph 15</i></p>	
<p><u>Independent Redress Mechanism</u> “Further requests the Green Climate Fund to include in its annual report to the Conference of the Parties the recommendations of its independent redress mechanism, if any, and any actions taken by the Board in response to those recommendations” <i>UNFCCC decision 7/CP.20, paragraph 24</i> <i>Linked with UNFCCC decision 5/CP.19, annex, paragraph 9</i></p>	<p>The Board through decision B.BM-2016/09 appointed the Head of Independent Redress Mechanism. Furthermore, the Board through decision B.13/24 adopted the interim procedures for the reconsideration of funding decisions. In addition, it requested the Head of Independent Redress Mechanism to prepare, with the support of the Secretariat, for consideration by the Board no later than its sixteenth meeting, the detailed guidelines and procedures for independent Redress Mechanism. Those guidelines should be prepared in consultation with the similar or equivalent mechanisms of accredited entities and other stakeholders</p>
<p>Decision 9/CP.20 – Fifth review of the Financial Mechanism</p>	
<p><u>Stakeholder engagement</u> “The GCF could build on the experience of and lessons learned from the GEF in terms of stakeholder involvement. In this regard, the GCF may consider establishing a robust consultative process with its observers in order to ensure that adequate and timely consultation is undertaken with respect to the development of its policies, procedures, guidelines, and, later on, during the implementation of programmes and projects of the Fund” <i>UNFCCC decision 9/CP.20, annex, paragraph 14</i></p>	<p>Following decision B.12/14, the process to conduct a comprehensive review of the participation of observers in activities of the Board is ongoing, with the Board approving the terms of reference for the review before B.13 as a decision between meetings (decision B.BM-2016/11). The review will be undertaken for consideration by the Board at its fifteenth meeting (B.15) During the reporting period, the GCF conducted a number of consultations with stakeholders through calls for inputs, regular meetings and conference calls. Among others, calls for inputs were launched on the development of the strategic plan for the GCF; the review of the initial proposal approval process; the further development of indicators in the performance measurement frameworks; and on the accreditation strategy for the GCF</p>
<p><u>Gender</u> “In developing its own approach to gender mainstreaming, the GCF could build on the experience of the GEF. It is recommended that gender equality be integrated in the structure and organization of the GCF itself, and that gender-sensitive criteria be taken into account in funding approvals of the Fund” <i>Decision 9/CP.20, annex, paragraph 18</i></p>	<p>By decision B.09/11, the Board adopted a Gender policy and Gender action plan. Pursuant to decision B.12/16, the Board is scheduled to consider the review of the GCF Gender policy and Gender action plan at B.15. The terms of reference for the review of the Gender policy and Gender action plan was adopted as a between meetings decision before B.13 (decision B.BM-2016/12)</p>

<p><u>Environment and social safeguards</u> “As the GCF is developing its own environment and social safeguards, it should consider consistency with the safeguards of the GEF” <i>UNFCCC decision 9/CP.20, annex, paragraph 21</i></p>	<p>As per decision B.07/02, paragraph (d), the GCF will aim to complete the process of developing the GCF environmental and social safeguards within three years of the GCF having become operational The environmental and social management system of the GCF is to be considered at B.15</p>
<p><u>Fiduciary standards</u> “As it monitors the use of its initial fiduciary standards and reviews those standards within the next three years, the GCF should consider maintaining consistency with the standards of the GEF” <i>UNFCCC decision 9/CP.20, annex, paragraph 25</i></p>	<p>Pursuant to decision B.07/02, the GCF adopted its initial fiduciary standards, which include basic fiduciary standards and three specialized fiduciary standards for project management, grant award and/or funding allocation mechanisms, and on-lending and/or blending. In decision B.08/03 and related decisions, the GCF accreditation process allows for entities that have undergone an accreditation process at the GEF (as well as the Adaptation Fund and the Directorate-General for International Development and Cooperation (DG DEVCO)) and are in full compliance with their requirements to be fast-tracked in the GCF accreditation process</p>
<p><u>Coherence and coordination</u> “The GEF and the GCF may consider collaborating in the use of funding pathways that may include the LDCF and the SCCF” <i>UNFCCC decision 9/CP.20, annex, paragraph 51</i></p>	<p>Through its decision B.13/12, the Board decided to establish an operational framework for complementarity and coherence with other institutions in accordance with paragraphs 33 and 34 of the Governing Instrument. The operational framework is to be considered at B.15 and will be the basis for the cooperation of the Board with the Standing Committee on Finance The Board also requested the Co-Chairs to initiate, with the support of the Secretariat, an annual dialogue with climate finance delivery partners and other funds at the activity level The Board reaffirmed that the following key elements will form part of the operational framework on complementarity and coherence:</p> <ol style="list-style-type: none"> 1) Board level discussions on fund-to-fund arrangements; 2) Enhanced complementarity at the activity level; 3) Promotion of coherence at the national programming level; and 4) Complementarity at the level of delivery of climate finance through an established dialogue
<p><u>Accreditation</u> “The GCF would benefit from lessons learned on the accreditation process from other funds, particularly the GEF. In the case of the GEF, the goal of accreditation of 10 project agencies was only partially achieved. The GCF may consider building on existing systems of GEF intermediaries and implementing entities,</p>	<p>As at 12 August 2016, 33 entities (including 13 direct access: national and regional entities) had been accredited to the GCF representing a diversity of national, regional, private, non-governmental and international organizations from all over the world that can operate at various levels of scale and can</p>

<p>and may in the process also consider providing financial assistance to support the accreditation of national entities in recipient countries that may need it” <i>UNFCCC decision 9/CP.20, annex, paragraph 58</i></p>	<p>undertake a range of financial instruments As per decision B.08/03, institutions accredited by and in full compliance with the standards of the GEF (in addition to those accredited by the Adaptation Fund and DG DEVCO) are eligible to apply for accreditation to the GCF under the fast-track accreditation route, thus building on the existing systems of such intermediaries and implementing entities Furthermore, the Board through decision B.13/32 approved support for additional activities to be covered by the Readiness and Preparatory Support programme in relation to support for accredited direct access entities</p>
<p><u>Readiness and preparatory support</u> “There is ample room for the GCF to learn from the experiences of other funds in terms of improving the enabling environments in recipient countries. It can do this by linking investments with focused efforts to engage stakeholders within countries in programming, and by providing technical assistance and capacity-building so as to strengthen enabling environments – institutions, policies, and regulations – that support mitigation and adaptation actions in developing countries” <i>UNFCCC decision 9/CP.20, annex, paragraph 69</i></p>	<p>The Readiness and Preparatory Support Programme is a strategic priority for the GCF and was established to strengthen and build enabling environments to allow developing countries to access GCF resources. It provides support to NDAs/FPs in preparation of their strategic frameworks, including country programmes, and to develop GCF programme pipelines on mitigation, adaptation/cross-cutting in a coherent approach By decision B.08/11, the Board decided to use readiness resources to develop country strategic frameworks for engagement with the GCF, building on existing strategies and plans, including nationally appropriate mitigation actions, national adaptation plans of action, national adaptation plans and intended nationally determined contributions, support for the accreditation and formulation of NAPs (decision B.13/09) As at 12 August 2016, readiness support proposals for 50 countries had been approved. The proposals focus on helping to strengthen NDAs and to develop projects and programmes in line with national climate strategies and the GCF mandate. More than USD 14 million had been committed to support these areas of work. At this date, nearly four additional proposals were under development</p>
<p><u>Indicators</u> “The GEF and the GCF may consider collaborating to harmonize impact indicators and set new norms around reporting practice, especially in the context of adaptation finance. Furthermore, the operationalization of the GCF results-based management framework presents an opportunity to make progress in this regard” <i>UNFCCC decision 9/CP.20, annex, paragraph 76</i></p>	<p>Pursuant to the Board request contained in decision B.08/07, paragraph (b), the Secretariat further developed the GCF performance measurement frameworks (PMFs), which set the indicators that the GCF and its accredited entities are to use so as to measure the climate results envisaged in the initial results-based management framework. The draft PMFs were developed in consultation with 35 institutions, including the GEF. The proposed PMFs are to be discussed and considered by the Board at B.14</p>

Decision 4/CP.20 – Report of the Adaptation Committee	
<p><u>Relationship with thematic bodies</u> “Requests Parties, operating entities of the Financial Mechanism and other relevant entities working on adaptation to consider the recommendations contained in chapter V of the report of the Adaptation Committee, as included in the annex” <i>UNFCCC decision 4/CP.20, paragraph 4</i></p>	<p>By its decision B.13/11, the Board took measures to strengthen the relationship with the thematic bodies of the Convention through holding an annual meeting between the Co-Chairs and the Chairs of the thematic bodies</p> <p>The meeting will be chaired by the Co-Chairs, organized by the Secretariat and will include the Chairs of the various thematic bodies, the Chairs of the subsidiary bodies, and the President of the COP, and will be held in the margins of the COP. The outcome of the meeting will be presented in a written report to the COP, which will be included in the report of the GCF to the COP</p> <p>Furthermore, the Board requested the Secretariat to strengthen its current approach to engaging with thematic bodies, including through: (i) exchanging information, (ii) participating in relevant meetings, (iii) identifying components of programmes and work plans of thematic bodies and, where appropriate, updating the work programme of the Secretariat to improve coordination</p> <p>See further responses to decision 4/CP.20, annex, paragraph 3, decision 4/CP.20, annex, paragraph 4, and decision 4/CP.20, annex, paragraph 6(b) below</p>
<p><u>Monitoring and evaluation</u> “In supporting the monitoring and evaluation of adaptation, the AC recommends that the COP invite Parties, operating entities of the Financial Mechanism and relevant entities working on adaptation to take into account the following recommendations:</p> <ul style="list-style-type: none"> (a) Monitoring and evaluation frameworks need to be appropriate, relevant to needs and tailored to country circumstances. A common set of global indicators is not useful, owing to the context-specific nature of adaptation; (b) National-level assessments can play a different role in measuring adaptive capacity from subnational or project-based assessments. National-level assessments could, for example, measure the degree of coordination and integration of adaptation in national priorities; (c) A positive learning environment, which encourages formal and informal learning, including peer-to-peer learning, and which encourages learning from negative as well as positive experiences, is important; (d) Planning and allocation of resources, both technical and financial, are key for effective monitoring and evaluation systems” 	<p>Pursuant to the Board request contained in decision B.08/07, paragraph (b), the GCF Secretariat further developed the indicators for the GCF performance measurement frameworks. This work was developed taking into account the report of the Adaptation Committee to the COP at its twenty-first session (COP 21)</p> <p>Several refinements to the proposed indicators were developed, informed by the Adaptation Committee recommendations</p> <p>The proposed PMF indicators are to be discussed and considered by the Board as part of its work plan for 2016</p>

<p><i>UNFCCC decision 4/CP.20, annex, paragraph 3</i></p>	
<p><u>Results management framework</u> “In the context of the monitoring and evaluation of adaptation, the AC also recommends that the COP invite the Board of the GCF, with respect to its Results Management Framework, to consider:</p> <ul style="list-style-type: none"> (a) Keeping indicators simple; (b) Designing indicators that are qualitative as well as quantitative; (c) Designing indicators in such a way as to capture the progress that countries are able to make in integrating adaptation into their development and sectoral planning, policies and actions; (d) Giving countries sufficient flexibility to define their indicators in line with their national and local planning, strategies and priorities” <p><i>UNFCCC decision 4/CP.20, annex, paragraph 4</i></p>	
<p><u>Readiness and preparatory support</u> “Inviting the Board of the GCF to engage with institutions that have started initiatives on countries’ readiness to access GCF funding and exploring how more countries can benefit from such initiatives” <i>UNFCCC decision 4/CP.20, annex, paragraph 6(b)</i></p>	<p>The Secretariat has initiated a Readiness Coordination Mechanism (RCM), a group which consists of institutions providing dedicated readiness support to aid access to GCF funding. Core members include the African Development Bank, the Commonwealth Secretariat, Deutsche Gesellschaft für Internationale Zusammenarbeit, KfW Development Bank, the United Nations Environmental Programme, the United Nations Development Programme and the World Resources Institute; and in addition are a number of observer institutions. The aim of RCM is to strengthen coordination among readiness providers in order to avoid the duplication of efforts and to maximize collaborative opportunities in order to ensure harmonized approaches at the national and international levels</p> <p>The fifth meeting of RCM was held on 28 April 2016, on the margins of the GCF Readiness Week, which took place at GCF Headquarters in Songdo, Incheon, Republic of Korea. The day-long retreat focused on partners’ reflections from Readiness Week engagement with countries and direct access entities, experience-sharing across readiness programmes and the development of a shared action plan for 2016–2018. The key outcomes of the retreat included the prioritization of the joint development of tools, information products, events and expert rosters, among other activities</p>
<p>Guidance from the seventeenth to nineteenth sessions of the Conference of the Parties that is still relevant for action and reporting</p>	
<p><u>Country ownership</u> “Requests the Board of the Green Climate Fund:</p>	<p>In decision B.08/10, the Board endorsed the initial best-practice options for country coordination and multi-stakeholder engagement as part of its decision</p>

<p>(a) “To consider important lessons learned on country-driven processes from other existing funds” <i>UNFCCC decision 4/CP.19, paragraph 16(a)</i></p>	<p>on country ownership. It has also decided that only those funding proposals that have a letter of no objection will be considered by the Board</p> <p>Furthermore, the Board through decision B.10/10 reaffirmed that it will pursue the country-driven approach</p> <p>Furthermore, the Board through decision B.13/33 agreed to consider the Country ownership guidelines at B.14</p> <p>As a continuously learning institution and in line with COP guidance, the GCF has conducted technical consultations and assessments of existing practices at other relevant bodies and funds under the Convention, in order to build on their experience and seek best practices, in the process of developing, among others, GCF policies on accreditation, gender, a financial risk management framework, an investment framework and the results management framework</p>
<p><u>Trustee matters</u> “To select the trustee of the Green Climate Fund through an open, transparent and competitive bidding process in a timely manner to ensure that there is no discontinuity in trustee services” <i>UNFCCC decision 6/CP.18, paragraph 7(e)</i> <i>Linked with UNFCCC decision 3/CP.17, paragraph 16</i></p>	<p>In decision B.12/38, the Board mandated the commissioning of a third party to implement the review of the Interim Trustee as set out in the Governing Instrument</p> <p>As per decision B.08/22, the process to appoint the permanent Trustee should be finalized no later than the end of 2017</p> <p>The matters related to the selection of permanent Trustee are to be addressed at the fourteen and fifteenth meetings of the Board</p>
<p><u>Relationship with thematic bodies:</u> “To initiate a process to collaborate with the Adaptation Committee and the Technology Executive Committee, as well as other relevant thematic bodies under the Convention, to define linkages between the Fund and these bodies, as appropriate” <i>UNFCCC decision 6/CP.18, paragraph 7(f)</i> <i>Linked with UNFCCC decision 3/CP.17, paragraph 17</i></p>	<p>By decision B.13/11, the Board took measures to strengthen the relationship of the GCF with the thematic bodies of the Convention through holding an annual meeting between the Co-Chair and the Chairs of the thematic bodies</p> <p>The meeting will be chaired by the Co-Chairs, organized by the Secretariat, and will include the Chairs of the various thematic bodies, the Chairs of the subsidiary bodies, and the President of the COP, and will be held in the margins of the COP. The outcome of the meeting will be presented in a written report to the COP, which will be included in the report of the GCF to the COP</p> <p>Furthermore, the Board has requested the Secretariat to strengthen its current approach to engaging with thematic bodies, including through: (i) exchanging information, (ii) participating in relevant meetings, (iii) identifying components of programmes and work plans of thematic bodies and, where appropriate, updating the work programme of the Secretariat to improve coordination</p>



2.3 Overview of the implementation of the arrangements between the Conference of the Parties and the GCF

8. Paragraph 6 of the Governing Instrument for the GCF provisioned for arrangements to be concluded between the COP and the GCF, consistent with Article 11 of the Convention, to ensure that the GCF is accountable to and functions under the guidance of the COP. Such arrangements were adopted at COP 19 in UNFCCC decision 5/CP.19. The arrangements contained in the annex to that decision specify the elements to be included in the annual report of the GCF to the COP starting from COP 20. Table 4 responds to this requirement, and maps out the requested reports.

Table 4: Arrangements between the Conference of the Parties and the GCF: Overview of reports on actions taken by the GCF

Guidance received from the Conference of the Parties	Actions taken by the GCF
<p><u>Arrangements with the Conference of the Parties</u> “Requests the Board of the Green Climate Fund to report on the implementation of the arrangements referred to in paragraph 4 above in its annual reports to the Conference of the Parties, starting at the twentieth session of the Conference of the Parties (December 2014)” <i>Decision 5/CP.19, paragraph 5</i></p>	<p>The report contained herein addresses this request</p>
<p><u>Independent Redress Mechanism</u> “The GCF will include in its annual reports to the COP the recommendations of its independent redress mechanism, and any action taken by the Board of the GCF in response to those recommendations” <i>Decision 5/CP.19, annex, paragraph 9</i></p>	<p>The Board through decision B.BM-2016/09 (limited distribution) appointed the Head of the Independent Redress Mechanism Furthermore, the Board through decision B.13/24 adopted the interim procedures for the reconsideration of funding decisions. It also requested the Head of Independent Redress Mechanism to prepare, with the support of the Secretariat, for consideration by the Board no later than its sixteenth meeting, the detailed guidelines and procedures for the independent Redress Mechanism. Those guidelines should be prepared in consultation with similar or equivalent mechanisms of accredited entities and other stakeholders</p>
<p><u>Reports to the Conference of the Parties</u> “The GCF is to submit annual reports to the COP for its consideration. Such annual reports shall include information on the implementation of policies, programme priorities and eligibility criteria provided by the COP, including information on the extent to which the COP guidance has been adhered to by the Board of the GCF” <i>Decision 5/CP.19, annex, paragraph 11</i> <i>Linked with decision 6/CP.18, paragraph 5</i></p>	<p>The report contained herein addresses this request</p>

Guidance received from the Conference of the Parties	Actions taken by the GCF
<p><u>Funding approvals</u> “The GCF will include in its reports a synthesis of the different activities under implementation and a listing of the activities approved, as well as a financial report” <i>Decision 5/CP.19, annex, paragraph 12</i></p> <p>“The GCF will also include in its reports information on all activities financed by the GCF” <i>Decision 5/CP.19, annex, paragraph 13</i></p>	<p>See annex VI, which lists the activities approved to receive GCF funding as at 12 August 2016, and annex VII, which contains the financial report</p> <p>Of the eight projects and programmes approved by the Board at its eleventh meeting (decision B.11/11), five with a combined GCF funding of USD 115 million are under the adaptation window; one with funding of USD 22 million is under the mitigation window, while two projects with combined funding of USD 31 million cut across both windows</p>
<p><u>Resource allocation</u> “The GCF will indicate in its reports actions it has undertaken to balance the allocation of resources between adaptation and mitigation activities under the Fund” <i>Decision 5/CP.19, annex, paragraph 14</i> <i>Linked with:</i> <i>Decision 4/CP.19, paragraph 9(a)</i> <i>Decision 6/CP.18, paragraph 7(b)</i> <i>Decision 3/CP.17, paragraph 8</i></p>	<p>In addition, of the nine projects approved by the Board at its thirteenth meeting (decision B.13/23), five with combined GCF funding of USD 136.4 million under the adaptation window, two of USD 41.7 million under the mitigation window and two of USD 78.5 million under the cross-cutting windows</p> <p>The Board is to consider additional projects and programmes at upcoming meetings and will aim to maintain a balance between mitigation and adaptation over time in accordance with the Governing Instrument for the GCF and decision B.06/06</p>
<p><u>Relationship with the thematic bodies</u> “The GCF will also include information on the development and implementation of mechanisms to draw on appropriate expert and technical advice, including from the relevant thematic bodies established under the Convention, as appropriate” <i>Decision 5/CP.19, annex, paragraph 15</i></p>	<p>By decision B.13/11, the Board took measures to strengthen the relationship with the thematic bodies of the Convention through holding an annual meeting between the Co-Chairs and the Chairs of the thematic bodies</p> <p>The meeting will be chaired by the Co-Chairs, organized by the Secretariat, and will include the Chairs of the various thematic bodies, the Chairs of the subsidiary bodies, and the President of the Conference of the Parties (COP), and will be held in the margins of the COP. The outcome of the meeting will be presented in a written report to the COP, which will be included in the report of the GCF to the COP</p> <p>Furthermore, the Board requested the Secretariat to strengthen its current approach to engaging with thematic bodies, including through: (i) exchanging information, (ii) participating in relevant meetings, (iii) identifying components of programmes and work plans of thematic bodies and, where appropriate, updating the work programme of the Secretariat to improve coordination</p>
<p><u>Resource mobilization</u> “The GCF is to provide information on resource mobilization and the available financial resources, including any replenishment processes, in its annual reports</p>	<p>See the response to UNFCCC decision 7/CP.21, paragraph 8, in table 2 above and annex III for an update on resource mobilization</p> <p>See the status of the available financial resources of the GCF in the financial</p>

Guidance received from the Conference of the Parties	Actions taken by the GCF
<p>to the COP” Decision 5/CP.19, annex, paragraph 17(b) <i>Linked with:</i> <i>Decision 7/CP.20, paragraph 5</i> <i>Decision 4/CP.19, paragraph 9(a)</i> <i>Decision 6/CP.18, paragraph 7(c)</i></p>	<p>report contained in annex VII</p>
<p><u>Independent evaluation</u> “The reports of the GCF should include any reports of the independent evaluation unit, including for the purposes of the periodic reviews of the financial mechanism of the Convention” <i>Decision 5/CP.19, annex, paragraph 20</i></p>	<p>Through decisions B.13/17 and B.13/18 (both limited distribution), the Board appointed the Heads of the Independent Evaluation Unit and the Independent Integrity Unit. Those Heads of the Accountability Units, once entered into contracts and upon entering into their respective positions, will be responsible for setting up the GCF Accountability Units</p>

III. Other activities of the GCF

9. The GCF is accountable to and functions under the guidance of the COP. It is governed and supervised by a 24-member Board, composed of an equal number of members from developed and developing country Parties to the Convention, each with an alternate member to the Board. Participants in meetings of the Board also include advisers of the Board members and alternate members, and four active observers, representing civil society organizations and private sector organizations from developed and developing country Parties. The Secretariat, which is accountable to the Board, carries out the day-to-day operations of the GCF and services the Board through the implementation of Board decisions and work programmes.

3.1 Term of Board membership

10. The Board by decision B.12/36 decided to align the term for Board membership to the calendar year. Effectively, the second term of Board membership, which commenced in August 2016, will end on 31 December 2018 and the next term will start on 1 January 2019. Paragraph 7 of the Rules of Procedure of the Board was also amended so that “the term of the two Co-Chairs is for one year starting on 1 January of the calendar year immediately following their election by the Board”, and that Co-Chairs “shall continue their functions until the term of their successors has commenced or, if later, once they have been elected”. The revised consolidated Rules of Procedure are available on the GCF website.

11. By the same decision, the current two-year term for active observers representing civil society organizations and private sector organizations formally commenced on 1 January 2016 and will end on 31 December 2017.

3.2 Staffing of the Secretariat

12. Decision B.12/27 approved an increase in the number of staff to 100 by the end of 2016 and a further increase to 140 by the end of 2017, up from the previous 56 permanent staff positions. The increase will serve to strengthen the Secretariat and will provide the needed enhancement in capacity as the GCF continues to scale up its operations.

3.3 Participation of observers in GCF processes

13. To date, the GCF has over 300 organizations from all over the world accredited as observers to the GCF, encompassing civil society organizations, private sector organizations, international entities and Parties and observer States to the Convention. A total of 124 representatives of observer organizations attended B.12 and a total of 168 representatives attended B.13.

14. The GCF continues to work towards ensuring the participation of observers in GCF processes, including through engaging observer organizations in developing GCF policies and procedures by inviting and considering their inputs, and up to this point the GCF has deepened its engagement with civil society and other stakeholders in its operations. In particular, with the view to facilitate their inclusion in readiness processes led by NDAs and focal points.

15. Pursuant to decision B.12/14, the process to conduct a comprehensive review of the participation of observers in activities of the Board is ongoing, with the Board approving the terms of reference for the review before B.13, and with the review scheduled for consideration

by the Board at B.15. Observer organizations were invited to submit their views, and have been actively consulted on this process.

Annex I: List of members of the Board and alternate members of the Board of the GCF as at 12 August 2016

Table 5: Members of the Board and alternate members of the Board as at 12 August 2016

Constituency/ regional group	Members	Alternate members
Developing countries, Africa	Mr. Tosi Mpanu Mpanu (Democratic Republic of the Congo) Former Chair of the African Group of climate negotiators	Mr. Cheikh Sylla Senior Technical Adviser Office of the Prime Minister Senegal
	Mr. Omar El-Arini (Egypt) Member of Board, Egyptian Environmental Affairs Agency International consultant on ozone layer and climate issues	Mr. Richard Muyungi (United Republic of Tanzania) Assistant Director Office of the Vice President
	Mr. Zaheer Fakir (South Africa) Head International Relations and Governance, Department of Environmental Affairs	Mr. Nagmeldin Goutbi Elhassan (Ethiopia) Climate Change Negotiator Higher Council for Environment and Natural Resources
Developing countries, Asia-Pacific	Mr. Wensong Guo (China) Director Department of International Economic and Financial Cooperation, Ministry of Finance	Mr. Amjad Abdulla (Maldives) Director General Department of Climate Change Ministry of Environment and Energy
	Mr. Ayman M. Shasly (Saudi Arabia) International Policies Consultant Ministry of Petroleum and Mineral Resources	Mr. Nauman Bashir Bhatti (Pakistan) Counsellor Permanent Mission of Pakistan to the United Nations, New York
	Mr. Dinesh Sharma (India) Additional Secretary Department of Economic Affairs Ministry of Finance	Mr. Azimuddin bin Bahari (Malaysia)
Developing countries, Latin America and the Caribbean	Mr. Jorge Ferrer Rodriguez (Cuba) Minister Counsellor Multilateral Affairs and International Law General Division,	Ms. Diann Black-Layne (Antigua and Barbuda) Director Department of Environment Ministry of Health and Environment

	Ministry of Foreign Affairs	
	Mr. Colin Young (Belize) Chief Executive Officer Ministry of Agriculture, Forestry, Fisheries, Environment, Sustainable Development and Climate Change	Mr. Ramón Méndez (Uruguay) Secretary of Climate Change Ministry of Environment
	Mr. Carlos Raúl Delgado Aranda (Mexico) Assistant Director-General International Financial Organizations of the Ministry of Finance	Mr. Cristian Salas (Chile) Advisor for International Affairs to the Minister Ministry of Finance
Developing countries, least developed countries	Mr. Kamal Uddin Ahmed (Bangladesh) Secretary Ministry of Environment and Forests	Mr. Evans Davie Njewa (Malawi) Principal Environmental Officer/ Climate Change Finance Negotiator Environmental Affairs Department
Developing countries, small island developing States	Mr. Ali'ioaigi Feturi Elisaia (Samoa) Ambassador Extraordinary and Plenipotentiary, Permanent Representative Permanent Mission of Samoa to the United Nations	Mr. Ronald Jean Jumeau (Seychelles) Ambassador Ministry of Foreign Affairs and Transport
Developing countries ^a	Mr. Teimuraz Murgulia (Georgia) First Deputy Minister Ministry of Environment and Natural Resources Protection	Mr. Mamadou Honadia (Burkina Faso)
Developed countries, Australia on behalf of Australia and New Zealand	Mr. Ewen McDonald (Australia) Deputy Secretary Department of Foreign Affairs and Trade	Ms. Sally Truong (Australia) Director Multilateral Finance, Australian Agency for International Development
Developed countries, Denmark and the Netherlands	Mr. Morten Elkjær (Denmark) Director Green Growth Department, Ministry of Finance	Mr. Roelof Buffinga (The Netherlands) Ministry of Foreign Affairs
Developed countries, France	Mr. Cyril Rousseau (France) Deputy Assistant Secretary Multilateral Financial Affairs and	Ms. May Gicquel (France) Head Official Development Assistance and

	Development Division, Directorate-General of the Treasury	Multilateral Development, Directorate-General of the Treasury
Developed countries, Germany	Mr. Karsten Sach (Germany) Deputy Director General for European and International Policy Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety	Mr. Frank Fass-Metz (Germany) Deputy Director General, Commissioner for Climate Federal Ministry of Economic Cooperation and Development
Developed countries, Japan	Mr. Koichi Aiboshi (Japan) Ambassador and Assistant Vice- Minister/Director-General for Global Issues Ministry of Foreign Affairs	Mr. Mitsutoshi Kajikawa (Japan) Director of Development Issues International Bureau Ministry of Finance
Developed countries, Norway and Austria	Mr. Henrik Harboe (Norway) Director of Development Policy Ministry of Foreign Affairs	Mr. Jose Delgado (Austria) Senior Climate Policy Officer Ministry of Finance
Developed countries, Canada, Belgium and Poland	Ms. Caroline Leclerc (Canada) Director-General Global Affairs Canada	Ms. Liesbeth Loddewyckx (Belgium) Attaché Director General Development Cooperation, Ministry of Foreign Affairs
Developed countries, Spain and Italy	Ms. Ludovica Soderini (Italy) Senior Advisor International Financial Relations, Treasury Department, Ministry of Economy and Finance	Ms. Esther González Sanz (Spain) Coordinator of Climate Funds Ministry of Economy and Competitiveness
Developed countries, Finland, Hungary and Switzerland	Mr. Anton Hilber (Switzerland) Head of Division, Global Program Climate Change Swiss Agency for Development and Cooperation, Federal Department of Foreign Affairs	Mr. Juha Pyykkö (Finland) Director Ministry of Foreign Affairs
Developed countries, Sweden	Mr. Anders Wallberg (Sweden) Head Section for Global Environment and Climate Change, Ministry of Environment	Mr. Lars Roth (Sweden) Senior Adviser Section for Global Environment and Climate Change, Ministry of Environment
Developed countries,	Ms. Andrea Ledward	Ms. Kate Hughes

<p>United Kingdom of Great Britain and Northern Ireland</p>	<p>(United Kingdom) Head Department for International Development's Climate and Environment Department</p>	<p>(United Kingdom) Deputy Director Department for International Development's Climate and Environment Department</p>
<p>Developed countries, United States of America</p>	<p>Mr. Leonardo Martinez-Diaz (United States of America) Deputy Assistant Secretary Environment and Energy Office, Department of the Treasury</p>	<p>Mr. Daniel Reifsnyder (United States of America) Deputy Assistant Secretary for Environment Department of State</p>

^a Rotating seat.

Annex II: References to decisions taken by the Board between December 2015 and 12 August 2016

Table 6: Compendia of decisions taken at meetings of the Board

Document symbol	Document title
GCF/B.12/32	Decisions of the Board – twelfth meeting of the Board, 8–10 March 2016
GCF/B.13/32/Rev.01	Decisions of the Board – thirteenth meeting of the Board, 28–30 June 2016

Table 7: Decisions approved between meetings as at 12 August 2016

Decision number	Decision title
B.BM-2015/11	Decision of the Board on the appointment of members to the ad hoc group for the strategic plan for the Green Climate Fund
B.BM-2016/01	Decision of the Board on the appointment of members to committees of the Board
B.BM-2016/02	Accreditation of observer organizations
B.BM-2016/03	Dates and venue for the fifteenth meeting of the Board
B.BM-2016/04	Appointment of members to committees of the Board
B.BM-2016/05	Decision of the Board on the clarification of decision B.11/11 with respect to deadlines for general conditions
B.BM-2016/06 (limited distribution)	Decision of the Board for authorizing the acceptance of an award by the Executive Director of the Green Climate Fund Secretariat
B.BM-2016/07 (limited distribution)	Revised clarification of decision B.11/11 with respect to deadlines for general conditions
B.BM-2016/08	Decision of the Board on accreditation of observer organizations
B.BM-2016/09 (limited distribution)	Appointment of the Head of the Independent Redress Mechanism
B.BM-2016/10 (limited distribution)	Recommendations of the Co-Chairs on the performance of the Executive Director Selection Committee, and proposal for the way forward
B.BM-2016/11	Decision of the Board on the terms of reference for the review of observer participation
B.BM-2016/12	Decision of the Board on the terms of reference for updating of GCF's Gender policy and Action plan

Annex III: Status of pledges and contributions made to the GCF as at July 2016¹

1. To date, a total of 47 state governments, regions and cities have pledged funds to the GCF, including 10 governments representing developing countries. The objective is for all pledges to be converted into contribution agreements within a year of their signing. A summary of the combined pledges and contributions made to the GCF is indicated in the figure below.

2. The Initial Resource Mobilization period of the GCF is still in progress, and the GCF accepts new pledges on an ongoing basis.

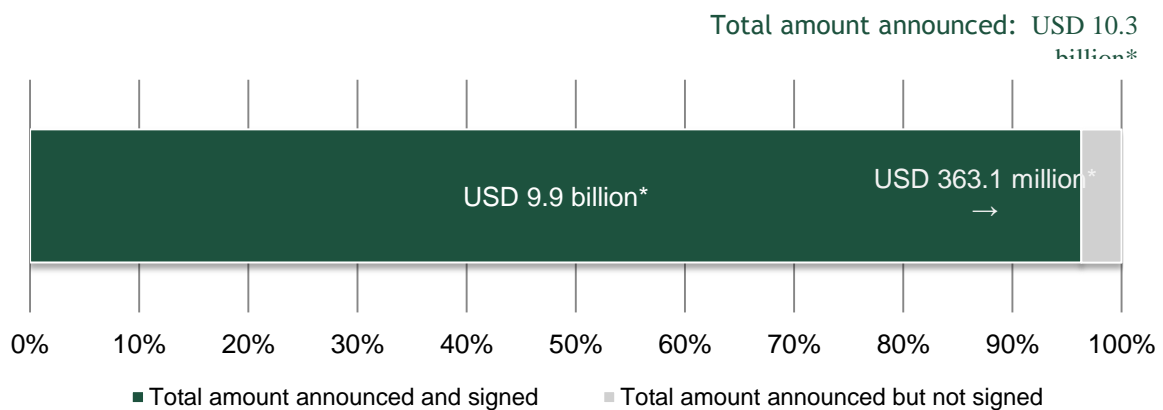


Figure: GCF pledge status as at July 2016

* Amounts indicated are in United States dollar equivalent using the historical reference exchange rates established for the First GCF High-level Pledging Conference held in November 2014.

3. A detailed overview of these pledges and contributions by amount is shown in table 7 below.

¹ The latest update on the status of pledges and contributions made to the GCF is available on the GCF website at <http://www.greenclimate.fund/contributions/pledge-tracker>.

Table 8: Detailed overview of pledges and contributions made to the GCF as at July 2016

Governments	Pledges					Grant equivalent ^a			
	Announced		Signed	Disbursed cash and deposited PNs	Announced per capita	Of pledged amount	Of signed amount	Of pledged amount	
	In currency*	USD eq ^{*b}	USD eq ^{*b}	In currency*	USD eq ^b	USD eq ^{*b}	USD eq ^{*b}	Current FX ^{*c}	
Amounts announced, signed and disbursed									
Australia	AUD	200.1	187.0	187.0	70.6	7.92	187.0	187.0	152.1
Austria^d	USD	25.0	25.0	26.8	11.6	2.94	25.0	26.8	28.6
Belgium	EUR	50.0	66.9	66.9	50.0	6.22	66.9	66.9	57.3
Belgium (Brussels Capital Region)	EUR	1.1	1.5	1.5	1.1	1.30	1.5	1.5	1.3
Belgium (Flanders)	EUR	3.5	4.7	4.7	3.5	0.70	4.7	4.7	4.0
Belgium (Wallonia) (1)	USD	1.5	1.5	1.5	1.5	3.00	1.5	1.5	1.5
Belgium (Wallonia) (2)	EUR	7.0	9.4	9.4	7.0		9.4	9.4	8.0
Bulgaria	EUR	0.1	0.1	0.1	0.1	0.02	0.1	0.1	0.1
Canada (Grant)	CAD	168.0	155.1	155.1	168.0	7.80	155.1	155.1	133.8
Canada (Loan)	CAD	110.0	101.6	101.6			20.0	20.0	17.3
Canada (Cushion)	CAD	22.0	20.3	20.3	-				
Chile	USD	0.3	0.3	0.3	0.3	0.02	0.3	0.3	0.3
Czech Republic	CZK	110.0	5.3	5.3	110.0	0.50	5.3	5.3	4.7
Denmark	DKK	400.0	71.8	71.8	200.0	12.82	71.8	71.8	61.5
Estonia	EUR	1.0	1.3	1.3	1.0	1.00	1.3	1.3	1.1
Finland	EUR	34.7	46.4	46.4	34.7	19.82	46.4	46.4	39.7
France (Grant)	EUR	432.0	577.9	577.9	104.0	16.03	577.9	577.9	494.7
France (Loan)	EUR	285.0	381.3	381.3	-		105.1	105.1	90.0
France (Cushion)	EUR	57.0	76.3	76.3	-		-		-
Germany	EUR	750.0	1,003.3	1,003.3	187.5	12.13	1,003.3	1,003.3	858.8
Iceland	USD	0.3	0.3	0.3	0.3	0.50	0.3	0.3	0.3
Indonesia^e	USD	0.3	0.3	0.3	0.2	0.00	0.3	0.3	0.3

Italy	EUR	50.0	66.9	66.9	50.0	5.47	66.9	66.9	57.3
Japan	JPY	154,028.7	1,500.0	1,500.0	38,507.2	11.81	1,500.0	1,500.0	1381.9
Latvia	EUR	0.4	0.5	0.5	0.4	0.23	0.5	0.5	0.4
Liechtenstein	CHF	0.1	0.1	0.1	0.1	1.50	0.1	0.1	0.1
Lithuania	EUR	0.1	0.1	0.1	0.1	0.04	0.1	0.1	0.1
Luxembourg	EUR	25.0	33.4	33.4	10.0	93.60	33.4	33.4	28.6
Malta	EUR	0.1	0.1	0.1	0.1	0.20	0.1	0.1	0.1
Mexico	USD	10.0	10.0	10.0	10.0	0.08	10.0	10.0	10.0
Monaco	EUR	0.3	0.3	0.3	0.3	8.80	0.3	0.3	0.3
Netherlands	EUR	100.0	133.8	133.8	6.7	7.96	133.8	133.8	114.5
New Zealand	NZD	3.0	2.6	2.6	3.0	0.56	2.6	2.6	2.1
Norway	NOK	1,600.0	257.9	257.9	400.0	50.56	257.9	257.9	198.7
Panama	USD	0.5	0.5	0.5	0.5	0.26	0.5	0.5	0.5
Poland	PLN	0.4	0.1	0.1	0.4	0.00	0.1	0.1	0.1
Portugal	EUR	2.0	2.7	2.7	2.0	0.30	2.7	2.7	2.3
Republic of Korea^e	USD	100.0	100.0	100.0	24.7	2.02	100.0	100.0	100.0
Spain^f	EUR	120.0	160.5	160.5	1.0	3.40	160.5	160.5	137.4
Sweden	SEK	4,000.0	581.2	581.2	4,000.0	60.54	581.2	581.2	498.0
Switzerland	USD	100.0	100.0	100.0	65.0	12.20	100.0	100.0	100.0
United Kingdom^g	GBP	720.0	1,211.0	1,211.0	240.0	19.07	1,211.0	1,211.0	1,052.0
United States of America^h	USD	3,000.0	3,000.0	3,000.0	500.0	9.30	3,000.0	3,000.0	3,000.0
Total			9,899.0	9,900.8			9,444.8	9,446.5	8639.7

Abbreviations: FX = foreign exchange rate, PNs = promissory notes.

^a Grant equivalent is calculated based on the terms in the Policies for Contributions to the GCF.

^b United States dollars equivalent (USD eq), based on the reference exchanges rates established for the First GCF High-level Pledging Conference (GCF/BM-2015/Inf.01/Rev.01, para. 11).

^c USD eq., based on the foreign exchange rate as at 29 April 2016. Depending on the rate at the time of conversion, the USD eq amount will fluctuate accordingly.

^d The pledge from Austria was announced in USD but signed in EUR (EUR 20 million). The amount shown as signed is calculated in accordance with note 2 above.

^e The signed amount includes contributions made prior to the First GCF High-level Pledging Conference.

^f The total amount pledged is EUR 120 million, but EUR 78 million will be paid after the Initial Resource Mobilization period (2015-2018).

^g Out of the United Kingdom of Great Britain and Northern Ireland's announced pledge of GBP 720 million, GBP 144 million is signed as a grant and GBP 576 million is signed as a capital contribution, as defined in its agreement.

^h Subject to the availability of funds. USD 500 million provided to date.

Table 9: Detailed overview of pledges and contributions made to the GCF as at July 2016

Governments	Pledges				Grant equivalent ^a			
	Announced		Signed	Disbursed cash and deposited PNs	Announced per capita	Of pledged amount	Of signed amount	Of pledged amount
	In currency*	USD eq ^{*b}	USD eq ^{*b}	In currency*	USD eq ^b	USD eq ^{*b}	USD eq ^{*b}	Current FX ^{*c}
Amounts announced but not yet signed								
Colombia	USD	6.0	6.0		0.12	6.0		6.0
Cyprus	EUR	0.4	0.5		0.40	0.5		0.4
Finland	EUR	45.3	60.6		19.82	60.6		51.9
France (Paris) ^d	EUR	1.0	1.3		0.10	1.3		1.1
Hungary	HUF	1,000.0	4.3		0.40	4.3		3.7
Iceland ^e	USD	1.0	1.0		5.00	1.0		1.0
Ireland	EUR	2.0	2.7		0.59	2.7		2.3
Italy	EUR	200.0	267.5		5.47	267.5		229.0
Luxembourg ^f	EUR	10.0	13.4		93.60	13.4		11.5
Mongolia	MNT	90.0	0.0		0.02	0.0		0.0
Panama	USD	0.5	0.5		0.26	0.5		0.5
Peru	USD	6.0	6.0		0.19	6.0		6.0
Viet Nam ^g	USD	1.0	1.0		0.01	1.0		1.0
Total			364.8			364.8		314.4
Grand total		10,263.9	9,900.8			9,809.6	9,446.5	8,954.1
EU Member States (Total)	USD		4,814.4	4,464.9		4,462.0	4,112.5	3,843.2

Abbreviations: EU = European Union, FX = foreign exchange rate, PNs = promissory notes.

^a Grant equivalent is calculated based on the terms in the Policies for Contributions to the GCF.

^b United States dollars equivalent (USD eq), based on the reference exchanges rates established for the First GCF High-level Pledging Conference (GCF/BM-2015/Inf.01/Rev.01, para. 11).

^c USD eq., based on the foreign exchange rate as at 29 April 2016. Depending on the rate at the time of conversion, the USD eq amount will fluctuate accordingly.

^d The total amount pledged is EUR 1 million, but EUR 0.4 million is planned to be paid after the IRM.

^e The total amount pledged is EUR 1 million, but EUR 0.4 million is planned to be paid after the IRM.

^f The EUR 10 million is planned to be paid after the IRM.

^g The total amount pledged is USD 1 million, but USD 0.4 million is planned to be paid after the IRM.

Annex IV: List of countries with national designated authority and focal point designations to the GCF

As at 1 June 2016, the 138 countries listed below have selected national designated authorities (NDAs) and focal points to the GCF. NDAs and focal points are selected by governments to act as the core interface between a developing country and the GCF.¹

1	Afghanistan	70	Malawi
2	Albania	71	Malaysia
3	Algeria	72	Maldives
4	Antigua and Barbuda	73	Mali
5	Argentina	74	Marshall Islands
6	Armenia	75	Mauritania
7	Bahamas	76	Mauritius
8	Bangladesh	77	Mexico
9	Barbados	78	Micronesia (Federated States of)
10	Belize	79	Moldova
11	Benin	80	Mongolia
12	Bhutan	81	Montenegro
13	Bolivia (Plurinational State of)	82	Morocco
14	Bosnia and Herzegovina	83	Mozambique
15	Botswana	84	Myanmar
16	Brazil	85	Namibia
17	Burkina Faso	86	Nauru
18	Burundi	87	Nepal
19	Cambodia	88	Nicaragua
20	Cameroon	89	Niger
21	Central African Republic	90	Nigeria
22	Chad	91	Niue
23	Chile	92	Oman
24	China	93	Pakistan
25	Colombia	94	Palau
26	Comoros	95	Panama
27	Cook Islands	96	Papua New Guinea
28	Costa Rica	97	Paraguay
29	Côte d'Ivoire	98	Peru
30	Cuba	99	Philippines
31	Democratic Republic of the Congo	100	Republic of Congo
32	Djibouti	101	Rwanda
33	Dominica	102	Saint Kitts and Nevis
34	Dominican Republic	103	Saint Lucia

¹ The list of NDAs and focal points designated to the GCF, including their names and contact information is available on the GCF website.¹

35	Ecuador	104	Saint Vincent and the Grenadines
36	Egypt	105	Samoa
37	El Salvador	106	Sao Tome and Principe
38	Equatorial Guinea	107	Saudi Arabia
39	Eritrea	108	Senegal
40	Ethiopia	109	Serbia
41	Fiji	110	Seychelles
42	Gabon	111	Sierra Leone
43	Gambia	112	Singapore
44	Georgia	113	Solomon Islands
45	Ghana	114	Somalia
46	Grenada	115	South Africa
47	Guatemala	116	South Sudan
48	Guinea	117	Sri Lanka
49	Guinea Bissau	118	Sudan
50	Guyana	119	Suriname
51	Haiti	120	Swaziland
52	Honduras	121	Syrian Arab Republic
53	India	122	Tajikistan
54	Indonesia	123	United Republic of Tanzania
55	Iran (Islamic Republic of)	124	Thailand
56	Jamaica	125	Timor-Leste
57	Jordan	126	Togo
58	Kazakhstan	127	Tonga
59	Kenya	128	Tunisia
60	Kiribati	129	Turkmenistan
61	Republic of Korea	130	Tuvalu
62	Kosovo	131	Uganda
63	Kyrgyzstan	132	Uruguay
64	Lao People's Democratic Republic	133	Uzbekistan
65	Lebanon	134	Vanuatu
66	Lesotho	135	Viet Nam
67	Liberia	136	Yemen
68	Libya	137	Zambia
69	Madagascar	138	Zimbabwe

Annex V: List of entities accredited to the GCF

Table 10: List of accredited entities of the GCF as at 12 August 2016

	Legal entity name (contact information linked)	Acronym	Country	Entity type
1	Acumen Fund, Inc.	Acumen	United States of America	Regional
2	Africa Finance Corporation	AFC	Nigeria	International
3	African Development Bank	AfDB	Côte d'Ivoire	International
4	Agence Française de Développement	AFD	France	International
5	Agency for Agricultural Development of Morocco	ADA	Morocco	National
6	Asian Development Bank	ADB	Philippines	International
7	Caribbean Community Climate Change Centre	CCCCC	Belize	Regional
8	Centre de Suivi Ecologique	CSE	Senegal	National
9	Conservation International Foundation	CI	United States of America	International
10	Corporación Andina de Fomento	CAF	Venezuela	Regional
11	Crédit Agricole Corporate and Investment Bank	Crédit Agricole CIB	France	International
12	DBSA	DBSA	South Africa	Regional
13	Deutsche Bank AktienGesellschaft	Deutsche Bank AG	Germany	International
14	Environmental Investment Fund	EIF	Namibia	National
15	European Bank for Reconstruction and Development	EBRD	United Kingdom	International
16	European Investment Bank	EIB	Luxembourg	International
17	HSBC Holdings plc and its subsidiaries	HSBC	United Kingdom	International
18	Inter-American Development Bank	IDB	United States of America	International
19	International Bank for Reconstruction and Development and International Development Association	World Bank	United States of America	International
20	International Finance Corporation	IFC	United States of America	International
21	International Union for Conservation of Nature	IUCN	Switzerland	International
22	Kreditanstalt für Wiederaufbau	KfW	Germany	International
23	Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia	MOFEC	Ethiopia	National
24	Ministry of Natural Resources	MINIRENA	Rwanda	National
25	National Bank for Agriculture and Rural Development	NABARD	India	National
26	National Environment Management Authority of Kenya	NEMA	Kenya	National
27	Peruvian Trust Fund for National Parks and Protected Areas	Profonanpe	Peru	National
28	Secretariat of the Pacific Regional Environment Programme	SPREP	Samoa	Regional

	Legal entity name (contact information linked)	Acronym	Country	Entity type
29	<u>Unidad Para el Cambio Rural (Unit for Rural Change) of Argentina</u>	UCAR	Argentina	National
30	<u>United Nations Development Programme</u>	UNDP	United States of America	International
31	<u>United Nations Environment Programme</u>	UNEP	Kenya	International
32	<u>World Food Programme</u>	WFP	-	International
33	<u>World Meteorological Organization</u>	WMO	-	International

* The list of accredited entities with more details relating to their accreditation is available on the GCF website (<http://www.greenclimate.fund/documents/20182/114261/20151119_-_GCF_List_of_Accredited_Entities.pdf/e09bb9b3-9730-4adc-bca9-ff32739ecae8>).

Annex VI: List of activities approved to receive GCF funding

Table 11: The initial batch of projects and programmes approved to receive GCF funding as at 12 August 2016

	Project name	Accredited entity	Country/region	Mitigation/adaptation/cross-cutting	Public/private	GCF funding approved (USD million)
1	Building the Resilience of Wetlands in the Province of Datem del Marañón in Peru	Profonampe	Peru	Cross-cutting	Public	6.2
2	Scaling Up the Use of Modernized Climate Information and Early Warning Systems in Malawi	UNDP	Malawi	Adaptation	Public	12.3
3	Increasing the Resilience of Ecosystems and Communities through the Restoration of the Productive Bases of Salinized Lands in Senegal	CSE	Senegal	Adaptation	Public	7.6
4	Climate-resilient Infrastructure Mainstreaming in Bangladesh	KfW	Bangladesh	Adaptation	Public	40
5	KawiSafi Ventures Fund in Eastern Africa	Acumen	Multiple (Africa)	Cross-cutting	Private	25
6	Energy Efficiency Green Bond in Latin America and the Caribbean	IDB	Multiple (Latin America)	Mitigation	Private	22
7	Supporting Vulnerable Communities in Maldives to Manage Climate Change-Induced Water Shortages	UNDP	Maldives	Adaptation	Public	23.6
8	Urban Water Supply and Wastewater Management Project in Fiji	ADB	Fiji	Adaptation	Public	31
9	Energy Savings Insurance for Private Energy Efficiency Investments by Small and Medium-Sized Enterprises	IDB	El Salvador	Mitigation	Public	21.7
10	De-Risking and Scaling-up Investment in Energy Efficient Building Retrofits	UNDP	Armenia	Mitigation	Public	20
11	Large-scale Ecosystem-based Adaptation in the Gambia: Developing a Climate-Resilient, Natural Resource-based Economy	UNEP	Gambia	Adaptation	Public	20.5
12	Africa Hydromet Program – Strengthening Climate Resilience in Sub-Saharan Africa: Mali Country Project	World Bank	Mali	Adaptation	Public	22.8
13	Improving the Resilience of Vulnerable Coastal Communities to Climate Change Related Impacts in Viet Nam	UNDP	Viet Nam	Cross-cutting	Public	29.5
14	Project to Support the World Bank's Climate Adaptation and Mitigation Program for the Aral Sea Basin in Tajikistan and Uzbekistan	World Bank	Tajikistan and Uzbekistan	Adaptation	Public	19

15	Tuvalu Coastal Adaptation Project	UNDP	Tuvalu	Adaptation	Public	36
16	Strengthening the Resilience of Smallholder Farmers in the Dry Zone to Climate Variability and Extreme Events in Sri Lanka	UNDP	Sri Lanka	Adaptation	Public	38.1
17	Climate Action and Solar Energy Development Programme in the Tarapacá Region in Chile	CAF	Chile	Cross-cutting	Private	49
Total funding approved (in millions of USD)						424.4

Abbreviations: ADB = Asian Development Bank, CAF = Corporación Andina de Fomento, CSE = Centre de Suivi Ecologique, KfW = Kreditanstalt für Wiederaufbau, IDB = Inter-American Development Bank, Profonampe = Peruvian Trust Fund for National Parks and Protected Areas, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme.

Table 12: Project preparation funding approved as at 12 August 2016

	Project/programme name	Submitted by	Country/region	Mitigation/adaptation/cross-cutting	Public/private	GCF funding approved (USD million)
1	Rural Green Economy and Climate Resilient Development Programme	Ministry of Natural Resources of Rwanda	Rwanda	Adaptation	Public	1.5
Total funding approved (in millions of USD)						1.5

Table 13: Readiness activities approved as at 12 August 2016

	Country	Activity area ^a	Delivery partner/service provider	Access type	Amount (USD)	Duration (months)
1	Antigua and Barbuda	1+2	Ministry of Health and Environment	Direct	300,000	12
2	Bangladesh	2	UNDP	International	150,000	12
3	Benin	1	UNEP	International	150,000	24
		3	PwC	na	37,000	-
4	Bolivia (Plurinational State of)	1+2	Ministry of Development Planning	Direct	300,000	24
5	Brazil	3	PwC	na	37,000	-
6	Cambodia	3	PwC	na	37,000	-
7	Central African Republic	1+2	UNDP	International	300,000	12
8	Chad	1+2	UNDP	International	300,000	24
9	Chile	1+2	CAF	International	300,000	12
10	Colombia ^b	3	PwC	na	74,000	-
11	Comoros	1+2	UNEP	International	300,000	24
12	Congo	1+2	UNDP	International	300,000	24
13	Cook Islands	1	Ministry of Finance and Economic Planning	Direct	150,000	12
14	Costa Rica	1+2	UNDP	International	300,000	12

15	Côte d'Ivoire	1+2	UNDP	International	300,000	24
16	Democratic Republic of the Congo	1+2	CSE	Direct	300,000	24
17	Djibouti	1+2	CSE	Direct	300,000	24
18	Dominican Republic	1+2	UNDP	International	300,000	12
19	El Salvador	1+2	Deputy Ministry for Development Cooperation, MoFA	Direct	300,000	18
20	Ethiopia	1+2	Ministry of Finance and Economic Planning	Direct	300,000	24
21	Gabon	1+2	CDC-Gabon	Direct	300,000	12
22	Guatemala	1+2	Food and Agriculture Organization of the United Nations	International	300,000	12
23	Guyana	1+2	Caribbean Community Climate Change Centre	Direct	300,000	6
24	Guinea	1+2	UNDP	International	300,000	24
25	Honduras ^b	1+2	UNDP	International	300,000	12
		3	PwC	na	74,000	-
26	India	1+2	UNDP	International	300,000	12
27	Kenya	1	Kenya National Treasury	Direct	150,000	12
		3	PwC	na	37,000	-
28	Liberia	1+2	UNDP	International	300,000	24
29	Mali	1+2	Sahel Eco	Direct	300,000	24
30	Mauritius	1+2	Ministry of Finance and Economic Planning	Direct	300,000	12
31	Mexico	3	PwC	na	37,000	-
32	Micronesia (Federated States of) ^b	1+2	Secretariat of the Pacific Community	Direct	300,000	24
		3	PwC	na	74,000	-
33	Mongolia	1+2	GIZ	International	300,000	12
34	Niue	3	PwC	na	37,000	-
35	Pakistan	1+2	GIZ	International	300,000	6
		3	PwC	na	37,000	-
36	Palau	3	PwC	na	37,000	-
37	Peru	1+2	GIZ	International	300,000	6
38	Philippines	1+2	Climate Change Commission	Direct	300,000	12
39	Rwanda	1+2	Environment and Climate Change Fund	Direct	300,000	12
40	Senegal	1+2	CSE	Direct	300,000	18
		4	IFC	International	600,000	12
41	Seychelles	3	PwC	na	37,000	-
42	Swaziland	1+2	UNDP	International	300,000	18

43	Thailand	1	GIZ	International	102,000	6
44	Timor-Leste	1+2	UNDP	International	300,000	24
45	Togo	1+2	CSE	International	300,000	24
46	Tunisia	1+2	The Sahara and Sahel Observatory	Direct	300,000	24
47	United Republic of Tanzania	1+2	UNDP	International	300,000	12
48	Vanuatu	1+2	GIZ	International	300,000	24
		4	SPREP	Direct	137,000	5
49	Zambia	1+2	Ministry of Finance	Direct	300,000	24
50	Zimbabwe	1+2	UNEP	International	300,000	24
Total					13,394,000	

Abbreviations: CAF = Corporación Andina de Fomento, CSE = Centre de Suivi Ecologique; GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH; IFC = International Finance Corporation; MoFA = Ministry of Foreign Affairs, na = not applicable; NDA = national designated authority; PwC = PricewaterhouseCoopers; SPREP = South Pacific Regional Environment Programme; UNDP = United Nations Development Programme; UNEP = United Nations Environment Programme.

^a Activity area 1= strengthening of the institutional capacity of NDAs or focal points; Activity area 2= development of strategic frameworks/country programmes for engagement with the GCF; Activity area 3 = support for accreditation of direct access entities.

^b Two entities.

Annex VII: Audited financial statements 2015/statements of financial position and of comprehensive income



Green Climate Fund Report on Audits of Financial Statements


for the years ended December 31, 2015

Prepared under International Financial Reporting Standards



GE.16-19182(E)



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REPORT ON AUDIT OF FINANCIAL STATEMENTS
GREEN CLIMATE FUND

CONTENTS

	Page No.
Independent Auditor's Report	3
Statements of Financial Position	5
Statements of Comprehensive Income	6
Statements of Changes in Funds	7
Statements of Cash Flows	8
Notes to the Financial Statements	9



INDEPENDENT AUDITOR'S REPORT

To the Board of the Green Climate Fund

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Report for the financial statements

We have audited the accompanying financial statements of the Green Climate Fund ("the Fund"), which comprise the statements of financial position as at December 31, 2015 and 2014, and the statements of comprehensive income, changes in funds and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information

Board's and Secretariat's responsibility for the financial statements

The Board and Secretariat are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board and the Secretariat are further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Certified Public Accountants and Management Consultants

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at December 31, 2015 and 2014, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.



July 29, 2016

Seoul, Korea

This report is effective as of July 29, 2016, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Certified Public Accountants and Management Consultants

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STATEMENTS OF FINANCIAL POSITION

As of December 31, 2015 and 2014

(In '000 USD)	Note	2015	2014
Assets			
Cash and cash equivalents	5, 6	637,682	108,102
Other receivables	6	-	252
Prepayments	-	-	62
Contributions Receivable	6,7	470,538	-
Total current assets		1,108,220	108,416
Contributions Receivable	6,7	740,115	-
Property and equipment, net	8	785	433
Total non-current assets		740,900	433
Total assets		1,849,120	108,849
Liabilities			
Accounts payable	6	1,651	60
Accrued expenses	-	1,087	678
Payable to employees	5,6	1,436	332
Total current liabilities		4,174	1,070
Total liabilities		4,174	1,070
Funds			
Temporarily restricted funds	9	1,210,653	681
Unrestricted funds	9	634,293	107,098
Total Funds		1,844,946	107,779
Total liabilities and funds		1,849,120	108,849

See accompanying notes to the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2015 and 2014

(In '000 USD)	Note	2015	2014
Income			
Contributions	10	1,757,626	88,750
Foreign currency gain/(loss)	6	(2,786)	(118)
Other income	6	1,424	-
Interest and investment income	6	1,046	140
Total income		1,757,310	88,772
Expenditure			
Operating expenses	11,12	20,143	10,727
Total expenditure		20,143	10,727
Increase in fund for the year		1,737,167	78,045
Other Comprehensive Income (loss)		-	-
Total comprehensive income for the year		1,737,167	78,045

See accompanying notes to the financial statements

STATEMENTS OF CHANGES IN FUNDS

For the years ended December 31, 2015 and 2014

(In '000 USD)

	Temporarily restricted funds	Unrestricted funds	Total
As at 1 January 2014	1,400	28,334	29,734
Fund released from restriction	(719)	719	-
Comprehensive income	-	78,045	78,045
As at 31 December 2014	681	107,098	107,779
As at 1 January 2015	681	107,098	107,779
Fund released from restriction	(681)	681	-
Comprehensive income	1,210,653	526,514	1,737,167
As at 31 December 2015	1,210,653	634,293	1,844,946

See accompanying notes to the financial statements.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2015 and 2014

(In '000 USD)	2015	2014
Cash flows from operating activities		
Cash receipts from Contributors	541,870	88,750
Bank and Trust Fund Income	578	140
Other income	1,424	-
Cash paid to suppliers and personnel	(16,272)	(9,645)
Realised Foreign currency gain (loss)	2,789	(118)
Net cash provided by (used in) operating activities	530,389	79,127
Cash flows from investing activities		
Acquisition of property and equipment	(809)	(563)
Net cash provided by (used in) investing activities	(809)	(563)
Cash flows from financing activities	-	-
Net increase in cash and cash equivalents	529,580	78,564
Cash and cash equivalents at beginning of the year	108,102	29,538
Cash and cash equivalents at end of year	637,682	108,102

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2015 and 2014

1. Reporting entity

The Green Climate Fund (Fund) has been established by 196 Parties to the United Nations Framework Convention on Climate Change (UNFCCC). The Fund was established by a decision of the Conference of the Parties (COP) to the UNFCCC on 11 Dec 2011. Its headquarter is based in Songdo, the Republic of Korea. It will contribute to the achievement of the ultimate objective of the Convention. In the context of sustainable development, the Fund will promote the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change. The Fund will be guided by the principles and provisions of the Convention.

The Fund will play a key role in channeling new and predictable financial resources to developing countries. GCF will catalyze climate finance – both public and private, and at the national, regional and international levels. The Fund is intended to operate at a larger scale than other comparable funds to promote the paradigm shift towards low-emission and climate-resilient development pathways.

GCF was designated as an operating entity of the UNFCCC's financial mechanism, which it is ultimately accountable to. The COP provides guidance to the Board, including on matters related to policies, programme priorities and eligibility criteria. The Board takes appropriate actions in response to this guidance and reports to the COP annually.

The Fund is governed and supervised by a Board that has full responsibility for funding decisions and that receives the guidance of the COP. The Fund established the Secretariat. The Board oversees the operation of all relevant components of the Fund, approving specific operational policies and guidelines, and approving funding for projects and programmes. The Board is composed of 24 members, and 24 alternate members with equal representation from developing and developed country Parties. In accordance with the Fund's Governing Instrument, the World Bank (IBRD) provides trustee services to the Fund, on an interim basis.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been applied by the Fund consistently to all periods presented.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs). Where the IFRS are silent or do not give guidance on how to treat transactions specific to the non-profit sector, accounting policies have been based on the general IFRS principles, as detailed in the IASB Framework for the Preparation and Presentation of Financial Statements.

These financial statements were approved by the Board of the Green Climate Fund on 29th June 2016.

BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis.

FUNCTIONAL AND PRESENTATION CURRENCY

The accompanying financial statements are presented in United States Dollars ("USD"), the Fund's functional currency. All financial information has been rounded off to the nearest thousands, unless otherwise indicated.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in accordance with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

3. Application of new and revised IFRS

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED DURING 2015

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2014.

During 2015 several new standards and amendments became applicable for the first time in 2015. However, these do not impact the financial statements of the Fund.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the year ended 31 December 2015, and have not been applied in preparing the financial statements. The Fund plans to adopt these pronouncements when they become effective. Only those new or amended standards that may have an impact on the Fund reporting are listed below, with their potential effect on the financial statement:

Changes in IFRS to be applied in 2017 - IFRS 15 "Revenue from Contracts with Customers" (May 2014): Based on its current sources of income, the Fund expects a limited impact on its financial statements.

Changes in IFRS to be applied in the 2018 - IFRS 9 "Financial Instruments" (July 2014): The Fund expects a limited impact on the classification and measurement of its financial assets and liabilities. The application of the new impairment requirements might result in possible changes of current accounting and systems.

NOTES TO THE FINANCIAL STATEMENTS

4. Summary of significant accounting policies

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

RECEIVABLE

All receivable balances are valued at their net realizable value, that is, the gross amount of receivable minus, if applicable, allowances provided for doubtful debt. Any receivable or portion of receivable judged to be uncollectable is written off. Write offs of receivables are done via allowances for doubtful accounts after all efforts to collect have been exhausted.

PROPERTY AND EQUIPMENT

Property and equipment are measured initially at cost. Subsequent to initial recognition as an asset, property and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

The cost of property and equipment comprises its purchase price and all other incidental costs in bringing the asset to its working condition for its intended use.

Subsequent costs are recognized in the carrying amount of property, plant and equipment at cost or, if appropriate, as separate items if it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. The costs of the day-to-day servicing are recognized as expenses.

Property and equipment are depreciated on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. The estimated useful lives for the current period are as follows:

Plant and equipment	Useful life
Computer equipment and IT infrastructure	3–5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting date and adjusted, if appropriate.

Depreciation is made in the year the asset is placed in operation and continued until the asset is fully depreciated or its use is discontinued.

NOTES TO THE FINANCIAL STATEMENTS

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Foreign currency-denominated transactions are translated to US Dollars for reporting purposes at rates which approximate the exchange rates prevailing at the dates of the transactions.

Exchange differences arising from the: (a) settlement of foreign currency-denominated monetary items at rates which are different from which they were originally booked, and (b) translation of balances of foreign currency-denominated monetary items as at reporting date, are credited or charged to operations during the year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

ACCOUNTING FOR CONTRIBUTIONS

Revenue recognition

Contributions, including unconditional promise for the use of the contributions, are recognized as revenue at the earlier of when there is reasonable assurance that the contributions will be received or such contributions are received.

Contributions, including conditional promise to support specified projects or activities mutually agreed upon by the Fund and the contributor, are fully recognized as revenue at the earlier of when there is reasonable assurance that the contributions will be received or such contributions are received unless there is doubt that the Fund will not be able to use the contributions for intended purposes, in which case the revenue is recognized only to the extent of the expenditures incurred during the year.

Contributions receivable

The Fund recognizes contributions receivable where there is reasonable assurance that the contributions will be received but the cash has not been received. Contributions receivable is stated at their cost net of a provision for uncollectible contributions.

The promissory notes receivables are measured initially at fair value by discounting the future cash flows with the appropriate discount rates, which reflects the duration and the credit risk of the issuer and presented at amortized cost using the effective rate method at each reporting date. The Fund assesses at the end of each reporting period whether there is any objective evidence that the promissory notes are impaired. If any such evidence exists, the Fund determines the amount of any impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

Deferred contributions revenue

The Fund recognizes deferred contributions revenue where there is doubt that the Fund will be able to use the contributions for intended purposes and any unused portion of the contribution received will need to be refunded to the contributor. The revenue recognition for such contributions is deferred to future periods in order to match the underlying related expense. The revenue is realized in the statement of comprehensive income on a systematic basis in the period during which the underlying related expenses are incurred.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual provisions of the underlying instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through the consolidated statement of income) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through gains or losses are recognized immediately in the statement of comprehensive income.

Financial assets are classified into the following specified categories: Cash and cash equivalents within the Trust Fund, contribution receivables and other receivables.

Financial liabilities of the Fund include the accounts payable and payable to employees.

FINANCE INCOME AND FINANCE COSTS

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

TAXATION

Under an agreement between the Republic of Korea and the Green Climate Fund (GCF) concerning the Headquarters of the Green Climate Fund, signed on 10 June 2013, the GCF is exempt from all direct taxes, except those which are, in fact no more than charges for public utility services; and exempt from all indirect taxes, including any value-added and or/similar tax and excise duties levied on important purchase of goods and services for official purposes.

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL RISK MANAGEMENT

The Fund will be exposed to various kind of financial risk (credit risk, market risk, operational risk etc.). The fund has its Financial Risk Management and Investment framework. The Board adopted a risk appetite methodology and risk registers to manage its exposure to various risk categories. The Fund will continue establishing risk policies and guidelines to further improve risk management tools in financial and non-financial risk management. Funds held in trust by the interim Trustee are invested in accordance with the World Bank's policies and procedures for the investment of trust funds administered by the World Bank.

EVENTS AFTER THE REPORTING DATE

Post year-end events that provide additional information about the Funds financial position at the reporting date (adjusting events) are reflected in the financial statements when material. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

NOTES TO THE FINANCIAL STATEMENTS

5. Cash and Cash Equivalents

- (a) Cash and cash equivalents as of December 31, 2015 and 2014 are summarized as follows:

<i>(In '000 USD)</i>	2015	2014
Balance held in the GCF Trust Fund (at the World Bank)	633,221	107,280
Balances held in Commercial Banks	4,460	819
Cash on Hand	1	3
Total	637,682	108,102

The International Bank for Reconstruction and Development is serving as the interim trustee ("Trustee") of the fund. The Trustee administers the Contributions received in the Trust Fund in accordance with the Amended and Restated Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund (including all Annexes and Attachments attached thereto, which constitute an integral part thereof), dated April 22, 2015 between the Fund and the Trustee (the "GCF Trust Fund Agreement").

Pending the selection of the service provider the employees and employers contribution towards the post-employment benefit plan is held under a separate bank account. These restricted cash of USD 1,436 thousands is included under Balances held in Commercial Banks. The corresponding liability is shown under payable to employees in the Statement of Financial Position.

- (b) Cash and cash equivalents denominated in foreign currencies as of December 31, 2015 and 2014 are as follows:

<i>(In '000 USD)</i>	2015		2014	
	Foreign currency amount (in '000)	Translation into '000 USD	Foreign currency amount (in '000)	Translation into '000 USD
KRW	130,365	113	158,070	144
EUR	1,200	1,367	-	-
		1,480		144

NOTES TO THE FINANCIAL STATEMENTS

(e) Currency exchange rates as of December 31, 2015 and 2014 are as follows:

<i>(In 'USD)</i>	2015	2014
Currency	Ending exchange rate	Ending exchange rate
KRW	0.0009	0.0009
EUR	1.10	-

6. Financial Instruments by Categories

(a) Categories of financial assets as of December 31, 2015 and 2014 are summarized as follows:

<i>(In '000 USD)</i>	2015		2014	
	Cash and cash equivalents	Loans and receivables	Cash and cash equivalents	Loans and receivables
Cash and cash equivalents	637,682	-	108,102	-
Contributions receivable	-	1,210,653	-	-
Other receivable	-	-	-	252
Total	637,682	1,210,653	108,102	252

The contributions receivable in 2015 represents promissory notes deposited by contributors. IBRD, as the interim trustee of the fund is holding these promissory notes on behalf of the fund. These are non-interest-bearing promissory notes issued by the contributors and payable at par value. Promissory notes encashable within one year from the end of reporting period are classified as current assets- receivables. Promissory notes encashable after more than one year from the balance sheet date are classified as non-current assets- receivables. Promissory notes are denominated in Euro, Japanese Yen, Swedish Krona and Pound Sterling and were revalued to USD at the end of reporting period at the prevailing exchange rates.

The other receivable in 2014 represents the balance with UNFCCC as at the end of the year. Pending the establishment of the permanent secretariat during 2014 UNFCCC had acted as the interim secretariat for the Fund.

NOTES TO THE FINANCIAL STATEMENTS

- (b) Categories of financial liabilities as of December 31, 2015 and 2014 are summarized as follows:

<i>(In '000 USD)</i>	2015	2014
	Financial liabilities measured at amortized cost	Financial liabilities measured at amortized cost
Accounts payable	1,651	60
Payable to employees	1,436	332
Total	3,087	392

As stated in note 5 to the financial statements, Cash and Cash Equivalents and the payable to employees includes the fund withheld for post-employment benefit plan of \$ 1,436 and \$ 306 thousands in 2015 and 2014 respectively. The 2014 figure also includes an amount of \$ 26 thousand in respect of a delayed salary payment to a staff member.

- (c) Detail of finance income (costs) by categories for the years ended December 31, 2015 and 2014 are summarized as follows:

<i>(In '000 USD)</i>	2015			2014		
	Cash and cash equivalents	Loans and receivables	Financial liabilities measured at amortized cost	Cash and cash equivalents	Loans and receivables	Financial liabilities measured at amortized cost
Bank and trust fund income	1,046	-	-	140	-	-
Foreign currency gain (loss) on contribution	(79)	(2,707)	-	(118)	-	-
Total	(967)	(2,707)	-	22	-	-

The foreign currency loss in 2015 is primarily due to exchange gain/loss at the time of encashment of promissory notes and on year end revaluation of promissory notes received in currency other than USD.

On balance sheet date the promissory notes held by the interim trustees were revalued at the year-end exchange rate.

Other income of USD 1,424 thousands represents fee income received from the accreditation process

NOTES TO THE FINANCIAL STATEMENTS

7. Contributions Receivable

In accordance with signed arrangements/ agreements a number of contributors have deposited promissory notes. IBRD, as the interim trustee of the fund is holding these promissory notes on behalf of the fund. These are non-interest-bearing and payable at par value. Promissory notes encashable within one year from the end of reporting period are classified as current assets-receivables. Promissory notes encashable after more than one year from the end of reporting period are classified as non-current assets- receivables.

The promissory notes receivables are measured initially at fair value by discounting the future cash flows with the appropriate discount rates, which reflects the duration and the credit risk of the issuer and presented at amortized cost using the effective rate method at each reporting date. The Fund assesses at the end of each reporting period whether there is any objective evidence that the promissory notes are impaired. If any such evidence exists, the Fund determines the amount of any impairment loss.

As at the end of reporting period, encashment schedule and details of present value on promissory notes are as follows;

Encashment	Amount (In '000 USD)
In 2016	470,539
In 2017	412,491
In 2018	76,305
In 2019	66,430
In 2020	52,195
In 2021	47,450
In 2022	45,078
In 2023	42,705
Nominal value of promissory notes	1,213,193
Unamortized present value discount	(2,540)
Present value of promissory notes	1,210,653

NOTES TO THE FINANCIAL STATEMENTS

8. Property and Equipment

(a) Details of property and equipment as of December 31, 2015 and 2014 are as follows:

(i) December 31, 2015			
<i>(In '000 USD)</i>	Acquisition cost	Accumulated depreciation	Carrying amount
Computer/IT equipment	1,372	(587)	785
Total	1,372	(587)	785
(ii) December 31, 2014			
<i>(In '000 USD)</i>	Acquisition cost	Accumulated depreciation	Carrying amount
Computer/IT equipment	563	(130)	433
Total	563	(130)	433

(b) Changes in property and equipment for the year ended December 31, 2015 and 2014 are summarized as follows:

(In '000 USD)

	January 1, 2015	Acquisition	Disposals	Depreciation	December 31, 2015
Computer/IT equipment	433	809	-	(457)	785
Total	433	809	-	(457)	785
	January 1, 2014	Acquisition	Disposals	Depreciation	December 31, 2014
Computer/IT equipment	-	563	-	(130)	433
Total	-	563	-	(130)	433

NOTES TO THE FINANCIAL STATEMENTS

9. Funds

All contributions received where the use is limited by statutory restrictions, contributor-imposed purpose or time restrictions have been classified as temporarily restricted funds. All other funds are recognized as unrestricted funds.

Details of temporary restricted funds by type of restriction as of December 31, 2015 and 2014 are as follows:

(In '000 USD)

	2015	2014
Time restriction	917,684	-
Contributor imposed restriction	292,969	681
Total	1,210,653	681

Time restriction represents the funds to be collected in future years (i.e. promissory note) that were recorded as the present value of the future collection as at the end of reporting period. This type of fund will be reclassified into unrestricted funds in the year of receipt.

Contributor-imposed restriction represents the funds where the use of the funds is limited by contributor-imposed purpose. This type of fund will be reclassified into unrestricted funds when the contributor-imposed purpose is met or the fund is released from such restriction.



REPORT ON AUDIT OF FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

10. Incomes on Contribution

(a) Details of contributions received for the year ended December 31, 2015 and 2014 are as follows:

Contributors	Instrument type	Contribution type	Currency	2015		2014	
				in currency of contribution	In USD Eq *	in currency of contribution	In USD Eq
				Amounts (in '000)	Amounts (in '000)	Amounts (in '000)	Amounts (in '000)
Grant Contributions							
Australia	Cash	Grant	AUD	70,075	54,005	-	-
Austria	Cash	Grant	EUR	6,000	6,565	-	-
Belgium	Cash	Grant	EUR	-	(998)	40,000	48,622
Belgium - Brussels Capital Region	Cash	Grant	EUR	500	529	600	730
Bulgaria	Cash	Grant	EUR	100	109	-	-
Chile	Cash	Grant	USD	300	300	-	-
Czech Republic	Cash	Grant	USD	-	-	-	-
Czech Republic	Cash	Grant	CZK	50,000	2,038	10,000	450
Denmark	Cash	Grant	DKK	100,000	14,655	103,600	16,979
Estonia	Cash	Grant	EUR	800	898	-	-
Finland	Cash	Grant	EUR	34,700	37,608	-	-
France	Cash	Grant	EUR	104,000	114,119	1,000	1,276
Germany	Cash	Grant	EUR	-	(124)	1,000	1,375
Germany	Promissory Note	Grant	EUR	187,500	207,369	-	-
Iceland	Cash	Grant	USD	150	150	-	-
Indonesia	Cash	Grant	USD	244	244	-	-
Italy	Cash	Grant	EUR	50,000	55,250	500	621
Japan	Cash	Grant	USD	-	-	1,000	1,000
Japan	Promissory Note	Grant	JPY	38,507,164	313,576	-	-
Korea	Cash	Grant	KRW	-	-	-	-
Korea	Cash	Grant	USD	10,500	10,500	11,000	11,000
Latvia	Cash	Grant	EUR	-	(8)	350	425
Luxembourg	Cash	Grant	EUR	5,000	5,390	-	-
Malta	Cash	Grant	EUR	50	55	-	-
Mexico	Cash	Grant	USD	10,000	10,000	-	-
Monaco	Cash	Grant	EUR	250	280	-	-
Netherlands	Cash	Grant	USD	-	-	-	-
Netherlands	Cash	Grant	EUR	6,700	7,493	-	-
New Zealand	Cash	Grant	NZD	3,000	2,198	-	-
Norway	Cash	Grant	NOK	400,000	48,523	500	71
Panama	Cash	Grant	USD	500	500	-	-
Poland	Cash	Grant	PLN	-	-	350	103
Portugal	Cash	Grant	EUR	2,000	2,167	-	-
Sweden	Cash	Grant	SEK	-	-	10,000	1,404
Sweden	Promissory Note	Grant	SEK	4,000,000	468,024	-	-
Switzerland	Cash	Grant	CHF	-	-	500	562
Switzerland	Cash	Grant	USD	30,000	30,000	-	-
United Kingdom	Cash	Grant	GBP	-	-	2,500	4,132
United Kingdom	Promissory Note	Grant	GBP	48,000	73,242	-	-
Sub-total - Grants					1,464,657		88,750
Capital Contributions							
United Kingdom	Promissory Note	Capital	GBP	192,000	292,969	-	-
Sub-total - Capital					292,969		-
Total					1,757,626		88,750

* Includes the forex fluctuation on 2014 receipts converted to USD during 2015.

NOTES TO THE FINANCIAL STATEMENTS

11. Employee Benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an employer and employees pays fixed contributions and the employer will have no legal obligation to pay further amount. The Fund operates a defined contribution plan for employees. Employee benefits relating to employee service rendered will be based on the contributions and the investment earnings on the plan assets which will be managed separately from the Fund's assets. Fund's Contributions to the defined contribution plan are recognized as an expense in the year in which they are incurred. Employees' contribution to the retirement fund was \$ 377 thousands and \$ 102 during the year 2015 and 2014 respectively.

The expenses related to post-employment benefit under defined contribution plans for the year ended December 31, 2015 and December 31, 2014 are as follows:

<i>(In '000 USD)</i>	2015	2014
Expense related to post-employment benefit under defined contribution plan	753	204

NOTES TO THE FINANCIAL STATEMENTS

12. Operating Expenses

Details of operating expenses for the year ended December 31, 2015 and December 31, 2014 are as follows:

<i>(In '000 USD)</i>	2015	2014
Salaries and Benefits	7,769	2,830
Consultants Fees	4,928	3,822
Contractual Services	1,874	790
Supplies and Services	3,308	1,775
Travel	1,807	1,380
Depreciation	457	130
Total	20,143	10,727

Included in the total of USD 20,143 thousands of operating expenditures is an amount of USD 1,412 thousands related to the 'Readiness & Preparatory Support Programme' as follows:

<i>(In '000 USD)</i>	2015	2014
Consultants Fees	569	355
Regional workshops & NDA visits	640	-
Grants	161	-
Travel	42	43
Total	1,412	398

NOTES TO THE FINANCIAL STATEMENTS

13. Commitments & Funding Decisions

In addition USD 1,639 thousands relating to seven signed readiness grant agreements have been committed but not yet disbursed. The expenditures of USD 1,412 thousands and commitments of USD 1,639 thousands are funded out of the Board approved total budget of up to US\$ 30 million for the 'Readiness and Preparatory Program'.

The Board at its 11th meeting in Livingstone in November 2015 approved amounts of US\$ 167.823 million in projects & programme funding.

14. Lease

Under the agreement between the Ministry of Strategy and Finance of the Republic of Korea, The Incheon Metropolitan City of the Republic of Korea and The Green Climate Fund signed on 8th October 2013 Incheon City provides to the Fund the use of premises free of payment of rental for the entire duration of the Fund's operations in Songdo.

15. Related Parties

Related parties include the members of the Board, Board committees, senior management and close family members of the Board, Board committees and senior management. There was no loan to or from related parties outstanding as at 31 December 2015 and 2014. The Fund does not remunerate its Board members.

Remuneration of key management consists of basic salary, health insurance benefit, other benefits and contribution to post-employment pension plan. The remuneration of key management, comprising the Executive Director and members of senior management team, amounted to \$ 2,248 thousand and \$1,191 thousand for the years ended December 31, 2015 and 2014, respectively.
