

Arrangements for the first formal replenishment of the GCF

This document captures decision B.21/18, adopted by the GCF Board in its 21st meeting. The decision relates to document GCF/B.21/30/Rev.01 titled “Arrangements for the first formal replenishment of the Green Climate Fund”.

All decisions and documents adopted at B.21 can be found in document GCF/B.21/34 titled “Decisions of the Board – twenty-first meeting of the Board, 17 – 20 October 2018”.



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1. The Board took note of the document GCF/B.21/30/Rev.01 titled “Arrangements for the first formal replenishment of the Green Climate Fund”.
2. The Board adopted the following decision:

DECISION B.21/18

The Board, having reviewed document GCF/B.21/30/Rev.01 titled “Arrangements for the first formal replenishment of the Green Climate Fund” and document GCF/B.21/Inf.05 titled “Status of the initial resource mobilization process”, and taking account of guidance from the Conference of Parties to the United Nations Framework Convention on Climate Change:

- (a) *Reaffirms the objectives of the Green Climate Fund to channel new, additional, adequate and predictable financial resources and catalyse climate finance, both public and private, for developing countries, and promote a paradigm shift towards low-emission and climate-resilient development;*
- (b) *Stresses the importance and urgency of the Green Climate Fund conducting a successful and ambitious first replenishment process to continue advancing its mandate as an operating entity of the financial mechanism under Article 11 of the United Nations Framework Convention on Climate Change;*
- (c) *Agrees that the first and successive replenishments of the Green Climate Fund should take into account the stated ambitions, actions and contributions of developing countries to reduce their greenhouse gas emissions by meaningful mitigation actions and to adapt to the impacts of climate change, and that the Board will provide the replenishment process with strategic guidance;*
- (d) *Takes note that cumulative funding approvals have reached USD 5.5 billion, showing the significant scaling up of the Green Climate Fund’s capabilities to support low-emission and climate-resilient development in developing countries and the implementation of the United Nations Framework Convention on Climate Change and the Paris Agreement;*
- (e) *Also takes note that cumulative funding approvals have reached USD 5.5 billion, which triggers the first formal replenishment process;*
- (f) *Decides to launch the process for the Green Climate Fund’s first formal replenishment;*
- (g) *Further decides that the period of the first replenishment will be decided by the Board in 2019;*
- (h) *Stresses the urgency to reach pledges for replenishment, aiming to conclude the process in October 2019, recognizing that further pledges may be received during the replenishment period;*
- (i) *Requests the Secretariat to prepare the following documents for consideration by the Board and the replenishment process:*
 - (i) *A comprehensive report on the implementation of the Green Climate Fund’s initial Strategic Plan over the initial resource mobilization period (2015–2018);*
 - (ii) *A document outlining areas in the Policies for Contributions, standard provisions, and template contributions agreement that may be updated for the Green Climate Fund’s first replenishment period, including the conditions necessary to trigger subsequent replenishments; and*
 - (iii) *A strategic programming document outlining scenarios for the Green Climate Fund’s replenishment guided by ambitious mitigation and adaptation scenarios*

based on the Green Climate Fund's implementation potential, taking into account the needs of developing countries, including actions based on nationally determined contributions, national adaptation plans, country programmes and other sources;

- (j) Also requests the Co-Chairs to consult with Board members and alternate Board members in relation to the preparation of the documents listed in paragraph (i) above;*
- (a) Further requests the group of Board members and alternate Board members, consisting of the Co-Chairs and five representatives of developing countries and three representatives of developed countries, to represent the Board and the Green Climate Fund and actively engage in the replenishment process, including to present the outcomes of the Board's deliberations listed in paragraph (i) and to report back to the Board on a regular basis;*
- (b) Requests the Co-Chairs to consult with their respective constituencies for the nominations to the group identified in paragraph (k) above;*
- (c) Takes note of paragraph (e) of decision B.21/17 that the outcome of the performance review and the Board's consideration of the performance review will be shared with the replenishment process;*
- (d) Endorses the process for the first replenishment process set out in annex XVII;*
- (e) Requests the Co-Chairs of the Board to consult Board members and alternate Board members regarding proposals to appoint a global facilitator to oversee the replenishment process;*
- (f) Also requests the Secretariat to begin making arrangements to facilitate the replenishment process;*
- (g) Approves a budget of USD 1,296,500 to conduct the formal replenishment process, as detailed in annex XVIII to this decision, and requests the Budget Committee to review the budgetary allocation;*
- (h) Requests the Trustee to provide support to the Secretariat, as part of its function to administer the GCF Trust Fund, on issues related to:
 - (i) Updating the standard provisions and template contributions agreement; and*
 - (ii) Other relevant financial management issues as agreed between the Executive Director of the Green Climate Fund Secretariat and the Trustee;**
- (i) Authorizes the Executive Director ad interim to confirm with the Trustee the scope of trustee support, as referred to in paragraph (r);*
- (j) Reiterates the Board's intention to review the Strategic Plan of the Green Climate Fund as part of the first replenishment process, with a view to revising the strategic vision, if and as needed, and to update the core operational priorities and underlying action plan; and*
- (k) Invites members of the Board to send inputs on the update of the Strategic Plan to the Secretariat by 30 November 2018 in order for the Secretariat to produce a synthesis of issues for consideration by the Board at its twenty-second meeting.*

Annex XVII: Process for the first formal replenishment of the Green Climate Fund

- (a) The engagement of potential contributors will take place in the form of an organizational meeting, two or more replenishment consultation meetings and a high-level pledging conference (the “replenishment meetings”), as well as virtual communication between meetings as necessary;
- (b) Organizational arrangements for the replenishment meetings should commence as soon as possible with a view to the process being finalized through a high-level pledging conference;
- (c) The Co-Chairs will issue an open invitation to all potential contributors, as outlined in paragraph 29 of the Governing Instrument, to the Fund’s first replenishment process at a date to be determined following consultations with Board and alternate Board members;
- (d) The replenishment meetings will be open to potential contributors;
- (e) Two active observers of the Board (one civil society/ one private sector), as well as the Executive Director or Executive director ad interim shall observe the process;
- (f) A representative from the UNFCCC will be invited to observe the consultation meetings. Additional observers may be invited by meeting participants in line with the meetings’ rules of conduct;
- (g) The replenishment meetings may be organized in the form of technical sessions, open to potential contributors and observers, as well as executive sessions, which will be open only to potential contributors and the Board representatives specified above participating as observers, with support from the Secretariat. Representatives of the Trustee will be invited to attend sessions of such meetings in order to provide relevant support to the Secretariat; and
- (h) The rules of conduct of the replenishment meetings will be developed at the first meeting.

Replenishment Inputs and outcomes

- (a) The Secretariat, with the support of the Trustee, as relevant, will prepare any inputs required to inform the replenishment meetings, including inter alia:
 - (i) A document summarizing decisions taken by the Board that are necessary to guide decisions relevant to the first formal replenishment;
 - (ii) Any documents requested by the Board to help inform the replenishment process, including those identified in decision B.21/17; and
 - (iii) Information on the financial position of the GCF;
- (b) Progress in the replenishment consultation meetings will be reported to the Board, and the Board will be requested to consider and endorse the outcomes of the process; and
- (c) The disclosure of information and documents regarding the first replenishment process will be governed by the GCF Information Disclosure Policy.

Indicative timeline

The key stages, with indicative date ranges, for the GCF proposed first formal replenishment process are as follows:

- (a) **Initial organizational meeting** – *November 2018*: An organizational meeting could be held to consider planning matters for the replenishment meetings.
- (b) **Twenty-second to twenty-third/fourth meetings of the Board and Consultation Meetings** – *Period of 6-12 months from decision to initiate replenishment*:
 - (i) The twenty-second meeting of the Board (Q1 2019) may consider any additional matters relating to the replenishment process and review relevant documents commissioned by the Board to inform the replenishment process;
 - (ii) An initial report identifying emerging areas of recommendations (March 2019), and then a final report reviewing the performance of the Green Climate Fund (June 2019) could be presented for consideration;
 - (iii) Two or more replenishment consultations could be held (Q1-Q3 2019) to consider matters relating to the Fund's performance, potential impact, programming, financial position and contributions;
 - (iv) The twenty-third and/or twenty-fourth meeting of the Board (Q3 2019) would be informed of developments in replenishment consultations and consider any matters requiring Board endorsement or decision, as well as finalize the update to the GCF Strategic Plan;
- (c) **High-level pledging conference** – *[2019]*: A pledging conference could be held to announce contributions;
- (d) **Finalization of contributions** – *Period of 3-6 months from pledging*: A further 3–6 months would likely be required following pledging to conclude contribution arrangements between contributors and the GCF [Interim] Trustee, reach any effectiveness threshold, and begin receiving funds into the GCF account.

Annex XVIII: Budget

Budget item	Amount (USD)
Advocacy and outreach	
Travel: regional outreach	221,500
Conferences: regional outreach	120,000
Arrangements for replenishment process	
Replenishment facilitator	75,000
Conferences: 3 consultation meetings	174,000
Travel: 3 replenishment consultation meetings	288,000
Conferences: pledging conference	48,000
Travel: pledging conference	90,000
Technical support	
Replenishment advisers	100,000
Consultancies: review of Policies for Contributions	180,000
	1,296,500



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